

The Senate Committee on Education and Youth offered the following substitute to HB 787:

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 funding for state
4 chartered special schools and state charter schools; to provide for initial funding for charter
5 schools with projected student growth exceeding 15 percent; to provide for initial funding
6 for training and experience; to provide for grants for certain eligible students enrolled in an
7 institution of the University System of Georgia; to define certain terms; to provide for
8 application and administration; to provide for pro rata application; to provide for audits; to
9 provide for penalties; to provide for related matters; to repeal conflicting laws; and for other
10 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 in
13 Code Section 20-2-270, relating to the establishment of a state-wide network of regional
14 educational service agencies, as follows:
15

16 "20-2-270.

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

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

27 institutions, and University System of Georgia facilities and institutions that are located in
 28 the designated geographical area shall be members of that regional educational service
 29 agency.

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

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

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

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

39 **SECTION 2.**

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

42 "20-2-270.1.

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

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

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

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

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

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

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

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

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

62 (b) The state board shall make the service areas for the Georgia Learning Resources
 63 System congruous with the service areas for the RESA's. The RESA's are designated as
 64 the fiscal agents for the agency of the Georgia Learning Resources System or a local board
 65 of education as identified by the State Board of Education through an annual contract to
 66 serve as fiscal agent for the Georgia Learning Resources System. All member local school
 67 systems and state charter schools shall be provided the services of the Georgia Learning
 68 Resources System.

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

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

86

SECTION 3.

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

90 "20-2-271.

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

98 (b) ~~By July 1, 2002, each~~ Each regional educational service agency shall introduce and
 99 provide core services for member local school systems and schools and provide core
 100 services for purchase by local school systems and schools which are not members of that
 101 regional educational service agency. These core services shall include the following:

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

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

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

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

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

114 (c) As part of the assistance provided by a regional educational service agency under this
 115 Code section, each regional educational service agency shall provide for the establishment
 116 of instructional care teams. Upon determining that a school under its management and
 117 control is consistently underperforming or is otherwise educationally deficient, a local
 118 board of education or state charter school may request through a regional educational
 119 service agency the appointment of an instructional care team for that school. The
 120 instructional care team shall consist of such number of persons with such experience as a
 121 principal, teacher, or other education personnel so as to best address the needs of the
 122 school. Such instructional care team shall conduct an investigation into such aspects of
 123 instruction at the school as requested by the local board or state charter school, prepare a
 124 written evaluation of such aspects of the school, and make nonbinding recommendations
 125 to the local board or state charter school regarding improvements at the school. Such
 126 investigations, evaluations, and recommendations shall focus on, but not be limited to,
 127 instruction in mathematics, science, reading and other English courses, and social studies.
 128 Instructional care teams may also provide long-term and short-term follow-up assistance,
 129 such as but not limited to instruction, instructional assistance, and professional and staff
 130 development. Each regional educational service agency shall develop a registry or listing
 131 of potential instructional care team members, together with their areas of expertise, who
 132 may be available to member or nonmember local school systems and state charter schools
 133 for service on instructional care teams. Each regional educational service agency shall
 134 promulgate rules and regulations for the purchase of the services of an instructional care

135 team, provided that nothing in this Code section shall prevent regional educational service
 136 agencies from entering into cooperative arrangements for the mutual exchange of such
 137 services. Subject to appropriation by the General Assembly, regional educational service
 138 agencies may be provided grants for the purpose of facilitating the development and
 139 implementation of instructional care teams.

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

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

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

154 **SECTION 4.**

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

157 "20-2-272.

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

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

171 an annual budget to the state board, in the manner prescribed by the state board, for review
172 and approval.

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

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

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

202 **SECTION 5.**

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

205 "20-2-274.

206 (a) The state board shall be authorized to provide each regional educational service agency

207 with a uniform state-wide needs program grant and a documented local needs program

208 grant, subject to appropriation by the General Assembly. The uniform state-wide needs

209 program grant shall consist of two components: the same fixed amount for each regional

210 educational service agency; and an amount which reflects the number of local school

211 systems, the number of schools, the number of students, and the number of square miles

212 contained collectively within its member local school systems and state charter schools.

213 Each regional educational service agency shall be required to match the uniform state-wide

214 needs program grant with an amount of funds equal to one-fourth of this grant. The

215 uniform state-wide needs grant and its matching local funds shall be used to finance the

216 basic administrative overhead of the regional educational service agencies and to provide

217 the areas of assistance specified in Code Sections 20-2-270.1 and 20-2-271. The amount

218 of funds granted to each regional educational service agency for the documented local

219 needs program grant shall depend upon the proportion that the number of local school

220 systems, number of schools, number of students, and number of square miles contained

221 collectively within its member local school systems and state charter schools are of these

222 respective factors state wide, as well as the adopted operational plan and the budget

223 designed to address documented needs for assistance to member local school systems and

224 state charter schools. Each regional educational service agency shall be required to match

225 the documented local needs program grant with an amount of funds equal to two-thirds of

226 that grant. The state board shall provide grants to regional educational service agencies for

227 Georgia Learning Resources Systems or to a local school system contracted to be a fiscal

228 agent for a Georgia Learning Resources System. Each board of control shall be authorized

229 to adopt the manner by which each member local school system and state charter school

230 shall be assessed its share of the uniform state-wide needs program and the documented

231 local needs program; provided, however, that member local school systems and state

232 charter schools shall not be allowed to use funds received under the provisions of this

233 article for this purpose. The state board shall grant the regional educational service agency

234 the funds needed to provide services to all local school systems and state charter schools

235 in the service area of the Georgia Learning Resources System designated as the fiscal agent

236 or to any local school system contracted to serve as the fiscal agent for a Georgia Learning

237 Resource System as well as the grants authorized previously by this subsection. All other

238 financing will be based on contracts to supply service programs to member local school

239 systems and state charter schools. The funds for these programs, upon a contract approval

240 basis, may be derived from local, state, federal, or private sources.

241 (b) A regional educational service agency may not receive directly from the State Board
 242 of Education any state funds originally intended for or directed to a local school system or
 243 state charter school by this article; provided, however, that, upon the official request of a
 244 local school system or state charter school, the state board may send directly to a regional
 245 educational service agency any funds allocated to a local school system or state charter
 246 school. All grants from the state along with the contributions from member local school
 247 systems or state charter schools and funds from other sources shall be budgeted by the
 248 board of control other than those designated to local school systems designated as fiscal
 249 agents for a Georgia Learning Resource System through contract with the State Board of
 250 Education."

251 SECTION 6.

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

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

257 (A)(i) QBE formula earnings and QBE grants earned by the state chartered special
 258 school based on the school's enrollment, school profile, and student characteristics.
 259 For purposes of this subparagraph, the term 'QBE formula earnings' means funds
 260 earned for the Quality Basic Education Formula pursuant to Code Section 20-2-161,
 261 including the portion of such funds that are calculated in accordance with Code
 262 Section 20-2-164. QBE formula earnings shall include the salary portion of direct
 263 instructional costs, the adjustment for training and experience, the nonsalary portion
 264 of direct instructional costs, and earnings for psychologists and school social workers,
 265 school administration, facility maintenance and operation, media centers, additional
 266 days of instruction in accordance with Code Section 20-2-184.1, and staff
 267 development, as determined by the department; and

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

271 (B)(i) The average amount of the total revenues less federal revenues less state
 272 revenues other than equalization grants per full-time equivalent for the lowest five
 273 school systems ranked by assessed valuation per weighted full-time equivalent count,
 274 as determined by the department; provided, however, that a state chartered special
 275 school that achieves a score on the College and Career Readiness Performance Index
 276 that is greater than or equal to the state-wide average shall instead receive the

277 state-wide average amount of the total revenues less federal revenues less state
 278 revenues other than equalization grants per full-time equivalent for all school systems
 279 or the average amount of the total revenues less federal revenues less state revenues
 280 other than equalization grants per full-time equivalent for the local school systems
 281 that comprise the attendance zone of the state chartered special school, whichever is
 282 less.

283 (ii) For a state chartered special school that is established on or after July 1, 2018, in
 284 its first year of operation it shall initially receive the average amount of the total
 285 revenues less federal revenues less state revenues other than equalization grants per
 286 full-time equivalent for the lowest five school systems ranked by assessed valuation
 287 per weighted full-time equivalent count, as determined by the department; provided,
 288 however, that if the state chartered special school achieves a score on the College and
 289 Career Readiness Performance Index that is greater than or equal to the state-wide
 290 average in its first year of operation, such school shall retroactively receive at the end
 291 of such first year the difference between:

292 (I) The average amount of the total revenues less federal revenues less state
 293 revenues other than equalization grants per full-time equivalent for the lowest five
 294 school systems ranked by assessed valuation per weighted full-time equivalent
 295 count, as determined by the department; and

296 (II) The state-wide average amount of the total revenues less federal revenues less
 297 state revenues other than equalization grants per full-time equivalent for all school
 298 systems or the average amount of the total revenues less federal revenues less state
 299 revenues other than equalization grants per full-time equivalent for the local school
 300 systems that comprise the attendance zone of the state chartered special school,
 301 whichever is less;

302 thereafter, such school shall receive funds pursuant to division (i) of this
 303 subparagraph; and

304 (C) The state-wide average total capital revenue, excluding revenue bonds, per
 305 full-time equivalent, as determined by the department. In the event a state chartered
 306 special school terminates operations, all equipment and property purchased with funds
 307 received pursuant to this subparagraph shall revert to the ownership of the State Board
 308 of Education in accordance with a written agreement between the governing board of
 309 the state chartered special school and the State Board of Education entered into
 310 pursuant to paragraph (2) of subsection (f) of Code Section 20-2-2086.2.

311 (2) In the event that a state chartered special school offers virtual instruction:

312 (A) The amount of funds received pursuant to subparagraph (B) of paragraph (1) of
 313 this subsection shall be equal to two-thirds of such calculated amount; provided,

314 however, that this two-thirds amount may be increased by any amount up to the
 315 originally calculated amount in the discretion of the department if relevant factors
 316 warrant such increase; and

317 (B) The department may reduce the amount of funds received pursuant to
 318 subparagraph (C) of paragraph (1) of this subsection in proportion to the amount of
 319 virtual instruction provided and based on factors that affect the cost of providing
 320 instruction.

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

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

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

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

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

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

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

349 "(i) For purposes of funding students enrolled in a local charter school in the first year of
 350 such school's operation, in the first year that an existing local charter school offers a new

351 grade level, or in an upcoming year in which student growth in the existing local charter
 352 school is projected to exceed 15 percent if authorized by the charter, and prior to the initial
 353 student count, the state board shall calculate and the Department of Education shall
 354 distribute the funding for the local charter school on the basis of its projected enrollment
 355 according to an enrollment counting procedure or projection method stipulated in the terms
 356 of the charter. Such initial funding shall include the adjustments in each program for
 357 training and experience. No later than July 1 of each year, the state board shall notify the
 358 Department of Education and the Office of Planning and Budget of the funding estimates
 359 calculated pursuant to this subsection for any new local charter schools, any new grade
 360 levels offered by existing local charter schools, or any existing local charter schools with
 361 projected student growth exceeding 15 percent. After the initial student count during the
 362 first year of such local charter school's operation, newly offered grade level, or projected
 363 student growth exceeding 15 percent and in all years of operation thereafter, each local
 364 charter school's student enrollment shall be based on the actual enrollment in the current
 365 school year according to the most recent student count. Nothing in this Code section shall
 366 be construed to require the Department of Education to conduct more than two student
 367 counts per year."

368

SECTION 7.

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

371

"20-2-2089.

372

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

378

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

387 days of instruction in accordance with Code Section 20-2-184.1, and staff
 388 development, as determined by the department.

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

392 (B)(i) The average amount of the total revenues less federal revenues less state
 393 revenues other than equalization grants per full-time equivalent for the lowest five
 394 school systems ranked by assessed valuation per weighted full-time equivalent count,
 395 as determined by the department; provided, however, that a state charter school that
 396 achieves a score on the College and Career Readiness Performance Index that is
 397 greater than or equal to the state-wide average shall instead receive the state-wide
 398 average amount of the total revenues less federal revenues less state revenues other
 399 than equalization grants per full-time equivalent for all school systems or the average
 400 amount of the total revenues less federal revenues less state revenues other than
 401 equalization grants per full-time equivalent for the local school systems that comprise
 402 the attendance zone of the state charter school, whichever is less.

403 (ii) For a state charter school that is established on or after July 1, 2018, in its first
 404 year of operation it shall initially receive the average amount of the total revenues less
 405 federal revenues less state revenues other than equalization grants per full-time
 406 equivalent for the lowest five school systems ranked by assessed valuation per
 407 weighted full-time equivalent count, as determined by the department; provided,
 408 however, that if the state charter school achieves a score on the College and Career
 409 Readiness Performance Index that is greater than or equal to the state-wide average
 410 in its first year of operation, such school shall retroactively receive at the end of such
 411 first year the difference between:

412 (I) The average amount of the total revenues less federal revenues less state
 413 revenues other than equalization grants per full-time equivalent for the lowest five
 414 school systems ranked by assessed valuation per weighted full-time equivalent
 415 count, as determined by the department; and

416 (II) The state-wide average amount of the total revenues less federal revenues less
 417 state revenues other than equalization grants per full-time equivalent for all school
 418 systems or the average amount of the total revenues less federal revenues less state
 419 revenues other than equalization grants per full-time equivalent for the local school
 420 systems that comprise the attendance zone of the state charter school, whichever is
 421 less;

422 thereafter, such school shall receive funds pursuant to division (i) of this
 423 subparagraph; and

424 (C) The state-wide average total capital revenue, excluding revenue bonds, per
 425 full-time equivalent, as determined by the department. In the event a state charter
 426 school terminates operations, all equipment and property purchased with funds received
 427 pursuant to this subparagraph shall revert to the ownership of the State Charter School
 428 Commission in accordance with a written agreement between the governing board of
 429 the state charter school and the State Charter School Commission entered into pursuant
 430 to paragraph (3) of subsection (f) of Code Section 20-2-2086.2.

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

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

437 (B) The commission may reduce the amount of funds received pursuant to
 438 subparagraph (C) of paragraph (1) of this subsection in proportion to the amount of
 439 virtual instruction provided and based on factors that affect the cost of providing
 440 instruction.

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

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

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

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

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

457 (d) For purposes of funding students enrolled in a state charter school in the first year of
 458 such school's operation, in ~~or~~ for the first year that an existing state charter school offers
 459 a new grade level, or in an upcoming year in which student growth in the existing state
 460 charter school is projected to exceed 15 percent if authorized by the charter, and prior to

461 the initial student count, the commission shall calculate and the department shall distribute
 462 the funding for the state charter school on the basis of its projected enrollment according
 463 to an enrollment counting procedure or projection method stipulated in the terms of the
 464 charter. Such initial funding shall include the adjustments in each program for training and
 465 experience. No later than July 1 of each year, the commission shall notify the department
 466 and the Office of Planning and Budget of the funding estimates calculated pursuant to this
 467 subsection for any new state charter schools, ~~and for any new grade levels offered by~~
 468 ~~existing state charter schools,~~ or any existing state charter schools with projected student
 469 growth exceeding 15 percent. After the initial student count during the first year of such
 470 state charter school's operation, ~~or newly offered grade level,~~ or projected student growth
 471 exceeding 15 percent and in all years of operation thereafter, each state charter school's
 472 student enrollment shall be based on the actual enrollment in the current school year
 473 according to the most recent student count. Nothing in this Code section shall be construed
 474 to require the department to conduct more than two student counts per year.

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

479 SECTION 7A.

480 Said title is further amended in Part 3 of Article 7 of Chapter 3, relating to the Georgia
 481 Student Finance Authority, by adding a new subpart to read as follows:

482 "Subpart 2A

483 20-3-360.

484 As used in this subpart, the term:

485 (1) 'Eligible student' means a person whose family income does not exceed \$48,000.00
 486 and who:

487 (A) Has been accepted for enrollment as a first year student in a qualified institution
 488 who has qualified for and is receiving a federal Pell Grant, is not qualified to receive
 489 a HOPE scholarship, achieved a high school grade point average of 2.3 through 3.0, and
 490 meets at least one of the following requirements:

491 (i) Has achieved an ACT composite scale score of 21 or higher;

492 (ii) Has achieved an SAT score of 480 or higher on evidence based reading and
 493 writing and 530 on mathematics;

- 494 (iii) Has achieved a score of 3 or higher on at least two advanced placement
 495 examinations;
- 496 (iv) Has achieved a score of 4 or higher on at least two international baccalaureate
 497 examinations;
- 498 (v) Has passed an end-of-pathway assessment under the Carl D. Perkins Vocational
 499 and Technical Education Act, 20 U.S.C. Section 2301, et seq.; or
- 500 (vi) Has completed a work based learning experience in a field related to at least one
 501 course in the same pathway of study;
- 502 (B) Is an enrolled continuing first year student in a qualified institution who is making
 503 satisfactory progress in his or her degree program; or
- 504 (C) Is a continuing student in a qualified institution who has become ineligible for a
 505 HOPE scholarship and qualifies under one of the provisions of divisions (i) through (vi)
 506 of subparagraph (A) of this paragraph during his or her high school career.
- 507 (2) 'Income' means federal adjusted gross income determined pursuant to the Internal
 508 Revenue Code of 1986, as amended, from all sources, and income derived from
 509 municipal bonds which is not included in federal adjusted gross income for federal
 510 income tax purposes.
- 511 (3) 'Qualified institution' means an institution of the university system.

512 20-3-361.

513 There is awarded to each eligible student a grant in an amount not to exceed \$1,500.00 per
 514 academic semester, contingent upon appropriations by the General Assembly. In order to
 515 remain eligible to receive such grant, a student must be employed at least 15 hours per
 516 week during the semester and maintain at least a 2.3 grade point average; provided,
 517 however, that a student athlete shall be exempt from the employment requirement imposed
 518 by this Code section during the period beginning on the first day of the month preceding
 519 the month in which the first competition of the regular season occurs through the last day
 520 of the month in which the final competition of the regular season or postseason competition
 521 occurs.

522 20-3-362.

523 Each eligible student wishing to receive the grant provided for in this subpart shall submit
 524 to the qualifying institution an application for the grant payment at the time and in
 525 accordance with procedures prescribed by the authority. The authority is authorized to
 526 define such terms and prescribe such rules, regulations, and procedures as may be
 527 reasonable and necessary to carry out the purposes of this subpart. The authority shall not
 528 approve payment of any grant until it has received from an appropriate officer of the

529 qualifying institution a certification that the student applying for the grant is an eligible
530 student. Upon timely receipt of such certification, in proper form, the authority is
531 authorized to pay the grant to the qualifying institution on behalf of and to the credit of the
532 student. In the event a student on whose behalf a grant is paid does not enroll as a full-time
533 student for the academic semester for which the grant is paid, the qualifying institution
534 shall make a refund to the authority in accordance with regulations of the authority.

535 20-3-363.

536 (a) In the event funds available to the authority are not sufficient to enable the authority
537 to pay on behalf of eligible students the full grant prescribed by the General Assembly,
538 grants payable for the remaining academic semesters shall be reduced by the authority on
539 a pro rata basis.

540 (b) The authority shall use the following formula in calculating the budget for each
541 qualifying institution: the combined amount of average annual tuition and mandatory fees
542 minus the average annual Pell Grant award multiplied by the number of Pell Grant
543 recipients from which has been subtracted the combined number of HOPE and Zell Miller
544 scholarship recipients.

545 20-3-364.

546 Each qualified institution shall be subject to examination by the state auditor for the sole
547 purpose of determining whether the institution has properly certified eligibility and
548 enrollment of students and credited grants paid on behalf of such students; provided,
549 however, that nothing in this subpart shall be construed to interfere with the authority of
550 the institution to determine admissibility of students or to control its own curriculum,
551 philosophy, purpose, or administration. In the event it is determined that a qualified
552 institution knowingly or through error certified an ineligible student to be eligible for a
553 grant under this subpart, the amount of the grant paid to such institution pursuant to such
554 certification shall be refunded by such institution to the authority.

555 20-3-365.

556 Any person who knowingly makes or furnishes any false statement or misrepresentation
557 or who accepts such statement or misrepresentation knowing it to be false for the purpose
558 of enabling an ineligible student to obtain wrongfully a grant under this subpart shall be
559 guilty of a misdemeanor."

560

SECTION 8.

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