

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:

12 SECTION 1.

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

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.