

SENATE SUBSTITUTE TO HB 787:

**AS PASSED SENATE**

A BILL TO BE ENTITLED

AN ACT

1 To amend Title 20 of the Official Code of Georgia Annotated, relating to education, so as to  
 2 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 2 percent; to provide for initial funding for  
 6 training and experience; to provide for annual reports by the Department of Audits and  
 7 Accounts on state chartered special schools and state charter schools that offer virtual  
 8 instruction; to provide for comprehensive reports of such charter schools that offer virtual  
 9 instruction on the earlier of every four years or the year before such school's charter is  
 10 eligible for renewal; to provide for the establishment of a grant program to replicate  
 11 high-performing charter schools; to provide for contingency on appropriations; to provide  
 12 for criteria; to provide for rules and regulations; to provide for grants for certain eligible  
 13 students enrolled in an institution of the University System of Georgia; to define certain  
 14 terms; to provide for application and administration; to provide for pro rata application; to  
 15 provide for audits; to provide for penalties; to provide for a hold harmless clause; to provide  
 16 for related matters; to repeal conflicting laws; and for other purposes.

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

18 **SECTION 1.**

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

22 "20-2-270.

23 (a) The State Board of Education shall establish a state-wide network of regional  
 24 educational service agencies for the purposes of: providing shared services designed to  
 25 improve the effectiveness of educational programs and services to local school systems and  
 26 state charter schools; providing instructional programs directly to selected public school  
 27 students in the state; and providing Georgia Learning Resources System services. The

28 regional educational service agencies established by the state board may legally be referred  
29 to as 'RESA' or 'RESA's.'

30 (b) The State Board of Education shall establish the service area of each regional  
31 educational service agency as a geographically defined area of the state. All local school  
32 systems, state charter schools, Technical College System of Georgia facilities and  
33 institutions, and University System of Georgia facilities and institutions that are located in  
34 the designated geographical area shall be members of that regional educational service  
35 agency.

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

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

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

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

## 45 SECTION 2.

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

48 "20-2-270.1.

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

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

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

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

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

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

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

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

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

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

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

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

92 **SECTION 3.**

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

96 "20-2-271.

97 (a) Each regional educational service agency shall annually develop and submit to the  
98 Department of Education for approval, with a copy to the Education Coordinating Council,  
99 a regional plan for improvement of educational efficiency and cost effectiveness of its

100 member institutions. Each plan must include the purposes and description of the services  
101 the regional educational service agency will provide to schools identified as  
102 low-performing based on the indicators adopted under Code Section 20-14-33 and to other  
103 schools.

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

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

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

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

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

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

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

137 of potential instructional care team members, together with their areas of expertise, who  
 138 may be available to member or nonmember local school systems and state charter schools  
 139 for service on instructional care teams. Each regional educational service agency shall  
 140 promulgate rules and regulations for the purchase of the services of an instructional care  
 141 team, provided that nothing in this Code section shall prevent regional educational service  
 142 agencies from entering into cooperative arrangements for the mutual exchange of such  
 143 services. Subject to appropriation by the General Assembly, regional educational service  
 144 agencies may be provided grants for the purpose of facilitating the development and  
 145 implementation of instructional care teams.

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

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

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

#### 160 SECTION 4.

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

163 "20-2-272.

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

170 (b) All laws and the policies and regulations of the State Board of Education applicable  
 171 to local school systems and local boards of education shall be applicable, when appropriate,  
 172 to the regional educational service agencies and their boards of control unless explicitly

173 stated otherwise in this part. No board of control shall levy or collect any taxes. No board  
174 of control shall expend or contract to expend any funds beyond the amount of funds that  
175 the board of control is legally authorized to receive and will, in fact, receive, except as  
176 otherwise provided in this part. Each board of control shall submit an annual report and  
177 an annual budget to the state board, in the manner prescribed by the state board, for review  
178 and approval.

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

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

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

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**SECTION 5.**

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

"20-2-274.

(a) The state board shall be authorized to provide each regional educational service agency with a uniform state-wide needs program grant and a documented local needs program grant, subject to appropriation by the General Assembly. The uniform state-wide needs program grant shall consist of two components: the same fixed amount for each regional educational service agency; and an amount which reflects the number of local school systems, the number of schools, the number of students, and the number of square miles contained collectively within its member local school systems and state charter schools. Each regional educational service agency shall be required to match the uniform state-wide needs program grant with an amount of funds equal to one-fourth of this grant. The uniform state-wide needs grant and its matching local funds shall be used to finance the basic administrative overhead of the regional educational service agencies and to provide the areas of assistance specified in Code Sections 20-2-270.1 and 20-2-271. The amount of funds granted to each regional educational service agency for the documented local needs program grant shall depend upon the proportion that the number of local school systems, number of schools, number of students, and number of square miles contained collectively within its member local school systems and state charter schools are of these respective factors state wide, as well as the adopted operational plan and the budget designed to address documented needs for assistance to member local school systems and state charter schools. Each regional educational service agency shall be required to match the documented local needs program grant with an amount of funds equal to two-thirds of that grant. The state board shall provide grants to regional educational service agencies for Georgia Learning Resources Systems or to a local school system contracted to be a fiscal agent for a Georgia Learning Resources System. Each board of control shall be authorized to adopt the manner by which each member local school system and state charter school shall be assessed its share of the uniform state-wide needs program and the documented local needs program; provided, however, that member local school systems and state charter schools shall not be allowed to use funds received under the provisions of this article for this purpose. The state board shall grant the regional educational service agency the funds needed to provide services to all local school systems and state charter schools in the service area of the Georgia Learning Resources System designated as the fiscal agent or to any local school system contracted to serve as the fiscal agent for a Georgia Learning Resource System as well as the grants authorized previously by this subsection. All other financing will be based on contracts to supply service programs to member local school

245 systems and state charter schools. The funds for these programs, upon a contract approval  
 246 basis, may be derived from local, state, federal, or private sources.

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

257 **SECTION 6.**

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

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

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

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

277 (B) The state-wide average amount of the total revenues less federal revenues less  
 278 state revenues other than equalization grants per full-time equivalent for ~~the lowest~~  
 279 ~~five school systems ranked by assessed valuation per weighted full-time equivalent~~  
 280 ~~count, as determined by the department~~ all school systems or the average amount of



281 the total revenues less federal revenues less state revenues other than equalization  
 282 grants per full-time equivalent for the local school systems that comprise the  
 283 attendance zone of the state chartered special school, whichever is less; and

284 (C)(i) For brick-and-mortar state chartered special schools, the ~~The~~ state-wide  
 285 average total capital revenue, excluding local revenue bonds, per full-time equivalent,  
 286 as determined by the department or the capital revenue per full-time equivalent for the  
 287 local school system where the brick-and-mortar state chartered special school is  
 288 located, whichever is greater; and

289 (ii) For state chartered special schools that offer virtual instruction, an amount equal  
 290 to 20 percent of the state-wide average total capital revenue per full-time equivalent  
 291 if such school provides computer hardware, software, associated technical equipment,  
 292 and ongoing maintenance required and necessary for its students to participate in such  
 293 virtual instruction.

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

295 ~~(A) The amount of funds received pursuant to subparagraph (B) of paragraph (1) of~~  
 296 ~~this subsection shall be equal to two-thirds of such calculated amount; provided,~~  
 297 ~~however, that this two-thirds amount may be increased by any amount up to the~~  
 298 ~~originally calculated amount in the discretion of the department if relevant factors~~  
 299 ~~warrant such increase; and~~

300 ~~(B) The department may reduce the amount of funds received pursuant to~~  
 301 ~~subparagraph (C) of paragraph (1) of this subsection in proportion to the amount of~~  
 302 ~~virtual instruction provided and based on factors that affect the cost of providing~~  
 303 ~~instruction.~~

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

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

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

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

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

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

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

332 "(i) For purposes of funding students enrolled in a local charter school in the first year of  
 333 such school's operation, in the first year that an existing local charter school offers a new  
 334 grade level, or in an upcoming year in which student growth in the existing local charter  
 335 school is projected to exceed 2 percent if authorized by the charter, and prior to the initial  
 336 student count, the state board shall calculate and the Department of Education shall  
 337 distribute the funding for the local charter school on the basis of its projected enrollment  
 338 according to an enrollment counting procedure or projection method stipulated in the terms  
 339 of the charter. Such initial funding shall include the adjustments in each program for  
 340 training and experience. No later than July 1 of each year, the state board shall notify the  
 341 Department of Education and the Office of Planning and Budget of the funding estimates  
 342 calculated pursuant to this subsection for any new local charter schools, any new grade  
 343 levels offered by existing local charter schools, or any existing local charter schools with  
 344 projected student growth exceeding 2 percent. After the initial student count during the  
 345 first year of such local charter school's operation, newly offered grade level, or projected  
 346 student growth exceeding 2 percent and in all years of operation thereafter, each local  
 347 charter school's student enrollment shall be based on the actual enrollment in the current  
 348 school year according to the most recent student count. Nothing in this Code section shall  
 349 be construed to require the Department of Education to conduct more than two student  
 350 counts per year."

351 **SECTION 6A.**

352 Said title is further amended by adding a new Code section to read as follows:

353 "20-2-2075.

354 (a) The State Board of Education is authorized to establish a grant program for the purpose  
 355 of replicating high-performing charter schools, including local charter schools, state  
 356 chartered special schools, and state charter schools. The grant program shall include  
 357 funding, subject to appropriations by the General Assembly, for grants to charter applicants  
 358 and existing charter schools to replicate high-performing charter schools or features or  
 359 programs of high-performing charter schools that have been proven to be effective.

360 (b) Grants shall be provided primarily for charter schools in rural areas, charter schools  
 361 that primarily serve students with special needs, and charter schools that serve  
 362 educationally disadvantaged students.

363 (c) Grants shall be awarded based on criteria, terms, and conditions established by the  
 364 State Board of Education, in consultation with the State Charter Schools Commission. The  
 365 grant program criteria may take into account the likelihood of success in replicating a  
 366 high-performing charter school or feature or program of a high-performing charter school,  
 367 whether a particular model lends itself to replication, the reasonableness of the costs  
 368 involved in replication, and such other criteria deemed appropriate.

369 (d) The State Board of Education, in consultation with the State Charter Schools  
 370 Commission, is authorized to develop rules and regulations to implement the grant program  
 371 established pursuant to this Code section."

372 **SECTION 7.**

373 Said title is further amended by adding a new Code section to read as follows:

374 "20-2-2075.

375 (a)(1) The Department of Audits and Accounts shall develop an annual report on state  
 376 chartered special schools that offer virtual instruction. The Department of Audits and  
 377 Accounts may consult with the State Board of Education to develop and collect  
 378 information for the report.

379 (2) The annual report shall include at a minimum: school enrollment; attendance rate and  
 380 method of measurement; attrition rate; course segment completion rates; academic  
 381 performance, including College and Career Ready Performance Index (CCRPI) scores,  
 382 value-added analysis, and Beating the Odds analysis; other academic performance as it  
 383 relates to the goals of the school's charter; governance and management; staffing and  
 384 teacher qualification data; finances, including actual income, expenditures, and profits  
 385 for the prior fiscal year; operational performance; innovative practices and  
 386 implementation; and future plans. The annual report shall also include information on  
 387 the implementation of professional development plans for persons in administrative,  
 388 supervisory, or instructional leadership roles who do not hold a valid administrative

389 license; a copy of all charter school agreements for corporate management services,  
 390 including the company's parent corporation; and agreements for other administrative,  
 391 financial, and staffing services.

392 (3) The Department of Audits and Accounts shall submit the annual report on each state  
 393 chartered special school that offers virtual instruction to the State Board of Education, the  
 394 Governor, the Speaker of the House of Representatives, and the Lieutenant Governor by  
 395 December 1 of each year. The annual report shall also be posted on the state chartered  
 396 special school's official website.

397 (b)(1) Every four years or the year before a charter for a state chartered special school  
 398 that offers virtual instruction becomes eligible for renewal, whichever is earlier, the  
 399 Department of Audits and Accounts shall compile the data included in the annual reports  
 400 for such state chartered special school and identify any long-term trends regarding  
 401 academic performance, financial data, and governance data. Such comprehensive report  
 402 shall outline how the state chartered special school's actual performance compared to the  
 403 goals outlined in its charter.

404 (2) The Department of Audits and Accounts shall submit the comprehensive report of  
 405 each such state chartered special school to the State Board of Education, the Governor,  
 406 the Speaker of the House of Representatives, and the Lieutenant Governor by January 1  
 407 of the year in which the state chartered special school becomes eligible for renewal. The  
 408 comprehensive report shall also be posted on the state chartered special school's official  
 409 website."

410 **SECTION 8.**

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

413 "20-2-2089.

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

420 (A)(i) QBE formula earnings and QBE grants earned by the state charter school  
 421 based on the school's enrollment, school profile, and student characteristics. For  
 422 purposes of this subparagraph, the term 'QBE formula earnings' means funds earned  
 423 for the Quality Basic Education Formula pursuant to Code Section 20-2-161,  
 424 including the portion of such funds that are calculated in accordance with Code

425 Section 20-2-164. QBE formula earnings shall include the salary portion of direct  
 426 instructional costs, the adjustment for training and experience, the nonsalary portion  
 427 of direct instructional costs, and earnings for psychologists and school social workers,  
 428 school administration, facility maintenance and operation, media centers, additional  
 429 days of instruction in accordance with Code Section 20-2-184.1, and staff  
 430 development, as determined by the department.

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

434 (B) The state-wide average amount of the total revenues less federal revenues less  
 435 state revenues other than equalization grants per full-time equivalent for ~~the lowest~~  
 436 ~~five school systems ranked by assessed valuation per weighted full-time equivalent~~  
 437 ~~count, as determined by the department~~ all school systems or the average amount of  
 438 the total revenues less federal revenues less state revenues other than equalization  
 439 grants per full-time equivalent for the local school systems that comprise the  
 440 attendance zone of the state charter school, whichever is less; and

441 (C)(i) ~~For brick-and-mortar state charter schools, the~~ The state-wide average total  
 442 capital revenue, excluding local revenue bonds, per full-time equivalent, as  
 443 determined by the department or the capital revenue per full-time equivalent for the  
 444 local school system where the brick-and-mortar state charter school is located,  
 445 whichever is greater; and

446 (ii) For state charter schools that offer virtual instruction, an amount equal to 20  
 447 percent of the state-wide average total capital revenue per full-time equivalent if such  
 448 school provides computer hardware, software, associated technical equipment, and  
 449 ongoing maintenance required and necessary for its students to participate in such  
 450 virtual instruction.

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

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

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

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

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

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

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

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

477 (d) For purposes of funding students enrolled in a state charter school in the first year of  
 478 such school's operation, in or for the first year that an existing state charter school offers  
 479 a new grade level, or in an upcoming year in which student growth in the existing state  
 480 charter school is projected to exceed 2 percent if authorized by the charter, and prior to the  
 481 initial student count, the commission shall calculate and the department shall distribute the  
 482 funding for the state charter school on the basis of its projected enrollment according to an  
 483 enrollment counting procedure or projection method stipulated in the terms of the charter.  
 484 Such initial funding shall include the adjustments in each program for training and  
 485 experience. No later than July 1 of each year, the commission shall notify the department  
 486 and the Office of Planning and Budget of the funding estimates calculated pursuant to this  
 487 subsection for any new state charter schools, ~~and for any new grade levels offered by~~  
 488 ~~existing state charter schools,~~ or any existing state charter schools with projected student  
 489 growth exceeding 2 percent. After the initial student count during the first year of such  
 490 state charter school's operation, ~~or newly offered grade level,~~ or projected student growth  
 491 exceeding 2 percent and in all years of operation thereafter, each state charter school's  
 492 student enrollment shall be based on the actual enrollment in the current school year  
 493 according to the most recent student count. Nothing in this Code section shall be construed  
 494 to require the department to conduct more than two student counts per year.

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

**SECTION 9.**

Said title is further amended by adding a new Code section to read as follows:

"20-2-2093.

(a)(1) The Department of Audits and Accounts shall develop an annual report on state charter schools that offer virtual instruction. The Department of Audits and Accounts may consult with the commission to develop and collect information for the report.

(2) The annual report shall include at a minimum: school enrollment; attendance rate and method of measurement; attrition rate; course segment completion rates; academic performance, including College and Career Ready Performance Index (CCRPI) scores, value-added analysis, and Beating the Odds analysis; other academic performance as it relates to the goals of the school's charter; governance and management; staffing and teacher qualification data; finances, including actual income, expenditures, and profits for the prior fiscal year; operational performance; innovative practices and implementation; and future plans. The annual report shall also include information on the implementation of professional development plans for persons in administrative, supervisory, or instructional leadership roles who do not hold a valid administrative license; a copy of all charter school agreements for corporate management services, including the company's parent corporation; and agreements for other administrative, financial, and staffing services.

(3) The Department of Audits and Accounts shall submit the annual report on each state charter school that offers virtual instruction to the commission, the State Board of Education, the Governor, the Speaker of the House of Representatives, and the Lieutenant Governor by December 1 of each year. The annual report shall also be posted on the state charter school's official website.

(b)(1) Every four years or the year before a charter for a state charter school that offers virtual instruction becomes eligible for renewal, whichever is earlier, the Department of Audits and Accounts shall compile the data included in the annual reports for such state charter school and identify any long-term trends regarding academic performance, financial data, and governance data. Such comprehensive report shall outline how the state charter school's actual performance compared to the goals outlined in its charter.

(2) The Department of Audits and Accounts shall submit the comprehensive report of each such state charter school to the commission, the State Board of Education, the Governor, the Speaker of the House of Representatives, and the Lieutenant Governor by January 1 of the year in which the state charter school becomes eligible for renewal. The comprehensive report shall also be posted on the state charter school's official website."

534

**SECTION 10.**

535

Said title is further amended in Part 3 of Article 7 of Chapter 3, relating to the Georgia

536

Student Finance Authority, by adding a new subpart to read as follows:

537

"Subpart 2A

538

20-3-360.

539

As used in this subpart, the term:

540

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

541

and who:

542

(A) Has been accepted for enrollment as a first year student in a qualified institution

543

who has qualified for and is receiving a federal Pell Grant, is not qualified to receive

544

a HOPE scholarship, achieved a high school grade point average of 2.3 through 3.0, and

545

meets at least one of the following requirements:

546

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

547

(ii) Has achieved an SAT score of 480 or higher on evidence based reading and

548

writing and 530 on mathematics;

549

(iii) Has achieved a score of 3 or higher on at least two advanced placement

550

examinations;

551

(iv) Has achieved a score of 4 or higher on at least two international baccalaureate

552

examinations;

553

(v) Has passed an end-of-pathway assessment under the Carl D. Perkins Vocational

554

and Technical Education Act, 20 U.S.C. Section 2301, et seq.; or

555

(vi) Has completed a work based learning experience in a field related to at least one

556

course in the same pathway of study;

557

(B) Is an enrolled continuing first year student in a qualified institution who is making

558

satisfactory progress in his or her degree program; or

559

(C) Is a continuing student in a qualified institution who has become ineligible for a

560

HOPE scholarship and qualifies under one of the provisions of divisions (i) through (vi)

561

of subparagraph (A) of this paragraph during his or her high school career.

562

(2) 'Income' means federal adjusted gross income determined pursuant to the Internal

563

Revenue Code of 1986, as amended, from all sources, and income derived from

564

municipal bonds which is not included in federal adjusted gross income for federal

565

income tax purposes.

566

(3) 'Qualified institution' means an institution of the university system.



567 20-3-361.

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

577 20-3-362.

578 Each eligible student wishing to receive the grant provided for in this subpart shall submit  
579 to the qualifying institution an application for the grant payment at the time and in  
580 accordance with procedures prescribed by the authority. The authority is authorized to  
581 define such terms and prescribe such rules, regulations, and procedures as may be  
582 reasonable and necessary to carry out the purposes of this subpart. The authority shall not  
583 approve payment of any grant until it has received from an appropriate officer of the  
584 qualifying institution a certification that the student applying for the grant is an eligible  
585 student. Upon timely receipt of such certification, in proper form, the authority is  
586 authorized to pay the grant to the qualifying institution on behalf of and to the credit of the  
587 student. In the event a student on whose behalf a grant is paid does not enroll as a full-time  
588 student for the academic semester for which the grant is paid, the qualifying institution  
589 shall make a refund to the authority in accordance with regulations of the authority.

590 20-3-363.

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

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

600 20-3-364.

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

610 20-3-365.

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

615 **SECTION 11.**

616 Each state chartered special school and each state charter school shall be held harmless and  
617 guaranteed to receive at least the level of funds in subsequent fiscal years that was received  
618 by such state chartered special school or state charter school in fiscal year 2018.

619 **SECTION 12.**

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