SENATE SUBSTITUTE TO HB 787:

AS PASSED SENATE

A BILL TO BE ENTITLED

AN ACT

To amend Title 20 of the Official Code of Georgia Annotated, relating to education, so as to revise certain provisions relative to charter schools; to provide that state charter schools may receive services from regional educational service agencies; to revise funding for state chartered special schools and state charter schools; to provide for initial funding for charter schools with projected student growth exceeding 2 percent; to provide for initial funding for training and experience; to provide for annual reports by the Department of Audits and Accounts on state chartered special schools and state charter schools that offer virtual instruction; to provide for comprehensive reports of such charter schools that offer virtual instruction on the earlier of every four years or the year before such school's charter is eligible for renewal; to provide for the establishment of a grant program to replicate high-performing charter schools; to provide for contingency on appropriations; to provide for criteria; to provide for rules and regulations; to provide for grants for certain eligible students enrolled in an institution of the University System of Georgia; to define certain terms; to provide for application and administration; to provide for pro rata application; to provide for audits; to provide for penalties; to provide for a hold harmless clause; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

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

"20-2-270.

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

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

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

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

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

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

SEC 2.

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

"20-2-270.1.

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

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

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

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

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

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

(6) Developing programs, resource materials, and staff development services relating to instruction on alcohol and drug abuse; and
(7) Assistance in the development and implementation of a state-wide mentoring
program.
The shared services may also include assistance designed to address documented local
needs pursuant to subsection (d) of Code Section 20-2-272.
(b) The state board shall make the service areas for the Georgia Learning Resources
System congruous with the service areas for the RESA’s. The RESA’s are designated as
the fiscal agents for the agency of the Georgia Learning Resources System or a local board
of education as identified by the State Board of Education through an annual contract to
serve as fiscal agent for the Georgia Learning Resources System. All member local school
systems and state charter schools shall be provided the services of the Georgia Learning
Resources System.
(c) The Psychoeducational Network for severely emotionally disturbed students shall be
continued in effect. The service areas of units of the Psychoeducational Network for
severely emotionally disturbed students in place on January 1, 1995, shall be continued in
effect. The fiscal agent for each service area shall be as in effect on January 1, 1995, unless
changed as provided in this subsection. Upon the request of a majority of the local school
superintendents of the local school systems within a service area, representatives of each
of the local school systems in the respective service area shall vote in the manner and at the
time prescribed by the state board to determine if one of the local school systems or the
regional educational service agency serving the respective service area shall serve as the
fiscal agent for the respective unit of the Psychoeducational Network for the ensuing fiscal
year. In the event this vote results in a change in the fiscal agent for the respective unit, the
new fiscal agent shall continue in this capacity for a minimum of three fiscal years. In the
event a regional educational service agency is designated as the fiscal agent for a service
area, all member local school systems shall be provided the services of the
Psychoeducational Network.
(d) A regional educational service agency shall be authorized to sell or provide at
reasonable costs goods to private schools located in this state."

SECTION 3.
Said title is further amended by revising Code Section 20-2-271, relating to development of
regional improvement plan, introduction of core services, instructional care teams, and
establishment of alternative methods of teacher certification, as follows:
"20-2-271.
(a) Each regional educational service agency shall annually develop and submit to the
Department of Education for approval, with a copy to the Education Coordinating Council,
a regional plan for improvement of educational efficiency and cost effectiveness of its
member institutions. Each plan must include the purposes and description of the services
the regional educational service agency will provide to schools identified as
low-performing based on the indicators adopted under Code Section 20-14-33 and to other
schools.

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

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

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

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

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

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

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

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

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

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

SECTION 4.

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

"20-2-272.

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

(b) All laws and the policies and regulations of the State Board of Education applicable to local school systems and local boards of education shall be applicable, when appropriate, to the regional educational service agencies and their boards of control unless explicitly
stated otherwise in this part. No board of control shall levy or collect any taxes. No board
of control shall expend or contract to expend any funds beyond the amount of funds that
the board of control is legally authorized to receive and will, in fact, receive, except as
otherwise provided in this part. Each board of control shall submit an annual report and
an annual budget to the state board, in the manner prescribed by the state board, for review
and approval.
(c) The State Board of Education shall be responsible for assuring that the activities of
each regional educational service agency and its board of control established under this part
conform to both the Constitution and laws of Georgia, as well as the policies and
regulations of the state board.
(d) Boards of control shall determine the assistance needed by local school systems and
state charter schools in the area served by each regional educational service agency,
establish priorities from those needs, and allocate resources accordingly. Boards of control
shall annually review the effectiveness and efficiency of such agencies. Boards of control
shall determine the procedures and activities by which each regional educational service
agency achieves locally established objectives and shall establish job descriptions,
personnel qualifications, and work schedules consistent with locally established priorities
and objectives.
(e) In the event the State Board of Education adopts a policy to reorganize the service
areas of regional educational service agencies pursuant to Code Section 20-2-270 effective
July 1 of a fiscal year, members of boards of control during the preceding fiscal year shall
constitute planning boards for the respective service areas to be established the ensuing
July 1. Each planning board shall have the authority to establish the location or locations
of the office or offices of its regional educational service agency effective the ensuing
July 1, to issue contracts with a director and other agency staff to be employed effective
the ensuing fiscal year, to assess the needs of all potential member local school systems and
state charter schools, to prepare operational plans and budgets for the ensuing fiscal year,
to establish the manner by which the local share of the budget will be assessed to potential
member local school systems and state charter schools, and to make any other such
decisions that the state board deems necessary for an orderly transition of service areas for
regional educational service agencies. Such decisions shall be adopted by these planning
boards prior to December 15 of the fiscal year preceding the effective date for
reorganization of the service areas. Any such planning board shall be authorized to amend,
prior to April 15 of that fiscal year, any such decisions which are necessary as the result of
the actions of the General Assembly during its regular session during that fiscal year.”
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
systems and state charter schools. The funds for these programs, upon a contract approval basis, may be derived from local, state, federal, or private sources.

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

SECTION 6.

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

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

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

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

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

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

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

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

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

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

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

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

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

(4)  The department may withhold up to 3 percent of the amount determined pursuant to
paragraphs (1) and (2) of this subsection for each state chartered special school for use
in administering the duties required pursuant to this article with respect to state chartered
special schools; provided, however, that any amount withheld pursuant to this subsection
shall be spent solely on expenses incurred by the department in performing the duties
required by this article with respect to state chartered special schools.
(5) No deduction shall be made to any state funding which a local school system is otherwise authorized to receive pursuant to this chapter as a direct result or consequence of the enrollment in a state chartered special school of a specific student or students who reside in the geographical area of the local school system.

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

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

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

SECTION 6A.

Said title is further amended by adding a new Code section to read as follows:
"20-2-2075.  
(a) The State Board of Education is authorized to establish a grant program for the purpose  
of replicating high-performing charter schools, including local charter schools, state  
chartered special schools, and state charter schools. The grant program shall include  
funding, subject to appropriations by the General Assembly, for grants to charter applicants  
and existing charter schools to replicate high-performing charter schools or features or  
programs of high-performing charter schools that have been proven to be effective.  
(b) Grants shall be provided primarily for charter schools in rural areas, charter schools  
that primarily serve students with special needs, and charter schools that serve  
educationally disadvantaged students.  
(c) Grants shall be awarded based on criteria, terms, and conditions established by the  
State Board of Education, in consultation with the State Charter Schools Commission. The  
grant program criteria may take into account the likelihood of success in replicating a  
high-performing charter school or feature or program of a high-performing charter school,  
whether a particular model lends itself to replication, the reasonableness of the costs  
involved in replication, and such other criteria deemed appropriate.  
(d) The State Board of Education, in consultation with the State Charter Schools  
Commission, is authorized to develop rules and regulations to implement the grant program  
established pursuant to this Code section."

SECTION 7.

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

"20-2-2075.  
(a)(1) The Department of Audits and Accounts shall develop an annual report on state  
chartered special schools that offer virtual instruction. The Department of Audits and  
Accounts may consult with the State Board of Education 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 chartered special school that offers virtual instruction to 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 chartered special school's official website.

(b)(1) Every four years or the year before a charter for a state chartered special 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 chartered special school and identify any long-term trends regarding academic performance, financial data, and governance data. Such comprehensive report shall outline how the state chartered special 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 chartered special school to 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 chartered special school becomes eligible for renewal. The comprehensive report shall also be posted on the state chartered special school's official website.

SECTION 8.

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

"20-2-2089.

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

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

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

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

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

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

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

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

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

(3) For purposes of this subsection, the terms:
(A) 'Assessed valuation' is defined as 40 percent of the equalized adjusted property tax digest reduced by the amount calculated pursuant to subsection (g) of Code Section 20-2-164.

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

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

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

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

(e) Funding for state charter schools pursuant to this Code section shall be subject to appropriations by the General Assembly and such schools shall be treated consistently with all other public schools in this state, pursuant to the respective statutory funding formulas 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."
SECTION 10.

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

"Subpart 2A

20-3-360.

As used in this subpart, the term:

1. 'Eligible student' means a person whose family income does not exceed $48,000.00 and who:
   (A) Has been accepted for enrollment as a first year student in a qualified institution who has qualified for and is receiving a federal Pell Grant, is not qualified to receive a HOPE scholarship, achieved a high school grade point average of 2.3 through 3.0, and meets at least one of the following requirements:
      (i) Has achieved an ACT composite scale score of 21 or higher;
      (ii) Has achieved an SAT score of 480 or higher on evidence based reading and writing and 530 on mathematics;
      (iii) Has achieved a score of 3 or higher on at least two advanced placement examinations;
      (iv) Has achieved a score of 4 or higher on at least two international baccalaureate examinations;
      (v) Has passed an end-of-pathway assessment under the Carl D. Perkins Vocational and Technical Education Act, 20 U.S.C. Section 2301, et seq.; or
      (vi) Has completed a work based learning experience in a field related to at least one course in the same pathway of study;
   (B) Is an enrolled continuing first year student in a qualified institution who is making satisfactory progress in his or her degree program; or
   (C) Is a continuing student in a qualified institution who has become ineligible for a HOPE scholarship and qualifies under one of the provisions of divisions (i) through (vi) of subparagraph (A) of this paragraph during his or her high school career.

2. 'Income' means federal adjusted gross income determined pursuant to the Internal Revenue Code of 1986, as amended, from all sources, and income derived from municipal bonds which is not included in federal adjusted gross income for federal income tax purposes.

3. 'Qualified institution' means an institution of the university system.
20-3-361.
There is awarded to each eligible student a grant in an amount not to exceed $1,500.00 per academic semester, contingent upon appropriations by the General Assembly. In order to remain eligible to receive such grant, a student must be employed at least 15 hours per week during the semester and maintain at least a 2.3 grade point average; provided, however, that a student athlete shall be exempt from the employment requirement imposed by this Code section during the period beginning on the first day of the month preceding the month in which the first competition of the regular season occurs through the last day of the month in which the final competition of the regular season or postseason competition occurs.

20-3-362.
Each eligible student wishing to receive the grant provided for in this subpart shall submit to the qualifying institution an application for the grant payment at the time and in accordance with procedures prescribed by the authority. The authority is authorized to define such terms and prescribe such rules, regulations, and procedures as may be reasonable and necessary to carry out the purposes of this subpart. The authority shall not approve payment of any grant until it has received from an appropriate officer of the qualifying institution a certification that the student applying for the grant is an eligible student. Upon timely receipt of such certification, in proper form, the authority is authorized to pay the grant to the qualifying institution on behalf of and to the credit of the student. In the event a student on whose behalf a grant is paid does not enroll as a full-time student for the academic semester for which the grant is paid, the qualifying institution shall make a refund to the authority in accordance with regulations of the authority.

20-3-363.
(a) In the event funds available to the authority are not sufficient to enable the authority to pay on behalf of eligible students the full grant prescribed by the General Assembly, grants payable for the remaining academic semesters shall be reduced by the authority on a pro rata basis.
(b) The authority shall use the following formula in calculating the budget for each qualifying institution: the combined amount of average annual tuition and mandatory fees minus the average annual Pell Grant award multiplied by the number of Pell Grant recipients from which has been subtracted the combined number of HOPE and Zell Miller scholarship recipients.
20-3-364. Each qualified institution shall be subject to examination by the state auditor for the sole purpose of determining whether the institution has properly certified eligibility and enrollment of students and credited grants paid on behalf of such students; provided, however, that nothing in this subpart shall be construed to interfere with the authority of the institution to determine admissibility of students or to control its own curriculum, philosophy, purpose, or administration. In the event it is determined that a qualified institution knowingly or through error certified an ineligible student to be eligible for a grant under this subpart, the amount of the grant paid to such institution pursuant to such certification shall be refunded by such institution to the authority.

20-3-365. Any person who knowingly makes or furnishes any false statement or misrepresentation or who accepts such statement or misrepresentation knowing it to be false for the purpose of enabling an ineligible student to obtain wrongfully a grant under this subpart shall be guilty of a misdemeanor."

SECTION 11. Each state chartered special school and each state charter school shall be held harmless and guaranteed to receive at least the level of funds in subsequent fiscal years that was received by such state chartered special school or state charter school in fiscal year 2018.

SECTION 12. All laws and parts of laws in conflict with this Act are repealed.