

WITHDRAWN

The House Committee on Education offers the following substitute to SB 233:

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 provide for the establishment of promise scholarship accounts to be funded by the state in
3 the amount of \$6,500.00 per school year for each participating student; to provide for
4 definitions; to provide for qualified education expenses; to provide for qualifications for
5 students to participate in the promise scholarship account program; to provide for
6 requirements for participating schools and service providers; to provide for accounts and
7 account funds; to establish a parent review committee to review expenditures upon request;
8 to authorize the Georgia Student Finance Commission to participate in the promise
9 scholarship account program; to authorize the Georgia Student Finance Commission to
10 promulgate rules and regulations; to provide for an annual report on the program by the
11 Georgia Student Finance Commission; to provide for annual testing of participating students;
12 to provide for audits by the Department of Audits and Accounts; to provide for an annual
13 report by the Office of Student Achievement; to provide for statutory construction; to provide
14 for a short title; to provide for contingent effectiveness; to provide for applicability; to
15 provide for related matters; to repeal conflicting laws; and for other purposes.

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

17 **SECTION 1.**

18 Title 20 of the Official Code of Georgia Annotated, relating to education, is amended by
19 adding a new chapter to read as follows:

20 "CHAPTER 2B

21 20-2B-1.

22 This chapter shall be known and may be cited as the 'Georgia Promise Scholarship Act.'

23 20-2B-2.

24 As used in this chapter, the term:

25 (1) 'Account' or 'promise scholarship account' means a consumer directed account
26 established pursuant to this chapter and composed of state funds deposited on behalf of
27 a participating student and which may be used for qualified education expenses.

28 (2) 'Account funds' means the funds awarded on behalf of a participating student.

29 (3) 'Commission' means the Georgia Student Finance Commission.

30 (4) 'Curriculum' or 'curricula' means a complete course of study for a particular content
31 area or grade level, including any supplemental materials required by the course of study.

32 (5) 'Educationally disadvantaged students' means all or a subset of the following:
33 students who are economically disadvantaged, students with disabilities, limited English
34 proficient students, neglected or delinquent students, and homeless students, as each such
35 subset is defined by the State Board of Education in accordance with federal education
36 guidelines and regulations.

37 (6) 'Parent' means a biological parent, legal guardian, custodian, or other person with
38 legal authority to act on behalf of a student.

39 (7) 'Participating school' means a private school that has notified the commission of its
40 intention to participate in the program, that complies with the commission's requirements,
41 and meets the requirements provided for in Code Section 20-2B-4.

42 (8) 'Participating student' means a student for whom an account has been established
43 pursuant to this chapter.

44 (9) 'Private school' means a nonpublic school, sectarian or nonsectarian, which is
45 accredited or in the process of becoming accredited by one or more of the entities listed
46 in subparagraph (A) of paragraph (6) of Code Section 20-3-519.

47 (10) 'Program' means the account program provided pursuant to this chapter.

48 (11) 'Qualified education expenses' means any one or more of the following:

49 (A) Tuition, fees, and required textbooks for eligible core courses and eligible CTAE
50 courses, as such terms are defined in Code Section 20-2-161.3, at a participating school,
51 accredited community college or postsecondary education institution, or nonpublic
52 online learning program or course;

53 (B) Tutoring services provided by an educator certified by the Professional Standards
54 Commission;

55 (C) Payment for the purchase of a curriculum, including any supplemental materials
56 required by the curriculum;

57 (D) Services from a physician or therapist licensed pursuant to Chapter 10A, 28, 33,
58 34, or 44 of Title 43, including, but not limited to, for occupational, behavioral,
59 physical, or speech-language therapies;

60 (E) No more than \$500.00 per year to a fee-for-service transportation provider for
61 transportation to or from a participating school or service provider;

62 (F) Fees for the management of account funds in accordance with subsection (e) of
63 Code Section 20-2B-7;

64 (G) Other expenses authorized by the State Board of Education or the commission; or

65 (H) Individual education expenses authorized by a majority of the parent review
66 committee provided for in Code Section 20-2B-6.

67 (12) 'Resident school system' means the public school system in which the student would
68 be enrolled based on his or her residence.

69 (13) 'Service provider' means a person or entity that provides services that are covered
70 as qualified education expenses other than a participating school.

71 20-2B-3.

72 (a) A student shall qualify for a promise scholarship account under this chapter if:

73 (1) The student's parent resides within Georgia and has been a Georgia resident for at
74 least one year; provided, however, that the one-year requirement shall not apply if the
75 student's parent is an active duty military service member stationed in Georgia within the
76 previous year;

77 (2) The student is currently enrolled and has been continuously enrolled in a Georgia
78 public school for a period of time that includes at least two consecutive enrollment counts
79 conducted pursuant to Code Section 20-2-160.

80 (3) The student resides in the attendance zone of a public school that is included on the
81 list of public schools provided for in Code Section 20-2B-10;

82 (4) The student does not meet any of the ineligibility criteria provided for in
83 subsection (b) of Code Section 20-3-519.1;

84 (5) The student is not the recipient or beneficiary of a scholarship or other benefit
85 provided for under Article 33 of Chapter 2 of this title, the 'Georgia Special Needs
86 Scholarship Act,' nor shall the student or the student's parent seek to receive such
87 scholarship or other benefit at any time during which such student is a participating
88 student;

89 (6) The student is not the recipient or beneficiary of a scholarship, tuition grant, or other
90 benefit from a student scholarship organization, as such term is defined in Code Section
91 20-2A-1, nor shall the student or the student's parent seek to receive such scholarship,
92 tuition grant, or other benefit at any time during which such student is a participating
93 student;

- 94 (7) The student's parent signs an agreement promising:
95 (A) To provide an education for the participating student in at least the subjects of
96 reading, grammar, mathematics, social studies, and science;
97 (B) Not to enroll the student in a local school system school, local charter school, or
98 state charter school while participating in the program; provided, however, that this
99 subparagraph shall not be construed to prohibit participating students from part-time
100 enrollment in a college and career academy, as such term is defined in subsection (b)
101 of Code Section 20-4-37, which has been approved by the commission to be a service
102 provider; and
103 (C) To use account funds only for qualified education expenses of the participating
104 student; and
- 105 (8) The student's parent submits an application for an account to the commission no later
106 than the deadline established by the commission; provided, however, that the commission
107 shall provide quarterly application periods that correspond with quarterly funding dates
108 pursuant to subsection (b) of Code Section 20-2B-5.
- 109 (b) Upon acceptance of the account, the parent assumes full financial responsibility for the
110 education of the participating student, including transportation to and from the participating
111 school or service provider.
- 112 (c) Students enrolled in a school operated by the Department of Juvenile Justice are not
113 eligible for the program.
- 114 (d) A participating student shall continue to be eligible to receive account funds until the
115 student returns to a public school, graduates from high school, or reaches the age of 20
116 years, or for special education students, reaches the age of 21 years; provided, however,
117 that a student who participated in the program for any length of time before returning to a
118 public school must submit a new application for an account in order to participate in the
119 program for a second or subsequent time.
- 120 (e) The creation of the program or the granting of an account pursuant to this chapter shall
121 not be construed to imply that a public school did not provide a free and appropriate public

122 education for a student or constitute a waiver or admission by the state. A participating
123 student's resident school system shall not be obligated to provide services to such student
124 that would be required if such student were enrolled in such resident school system unless
125 such student re-enrolls in such school system.

126 (f) Any account funds directed to a participating school or service provider are so directed
127 on behalf of the participating student's parent, the recognized recipient of such participating
128 student's account funds, and wholly as a result of the genuine and independent private
129 choice of the parent.

130 (g) The parent of each student participating in the program shall comply fully with the
131 participating school or service provider's rules and policies.

132 (h) Any parent who fails to comply with the provisions of this chapter and commission
133 regulations relating to the program shall forfeit the account and all account funds therein.

134 20-2B-4.

135 (a) To be eligible to enroll a participating student, a participating school shall:

136 (1) Demonstrate fiscal soundness by having been in operation for one school year or by
137 submitting a financial information report for the school that complies with uniform
138 financial accounting standards established by the commission and conducted by a
139 certified public accountant. The report must confirm that the school desiring to
140 participate is insured and the owner or owners have sufficient capital or credit to operate
141 the school for the upcoming school year serving the number of students anticipated with
142 expected revenues from tuition and other sources that may be reasonably expected. The
143 report shall be limited in scope to those records that are necessary for the commission to
144 make a determination on fiscal soundness of the school;

145 (2)(A) Beginning on August 1 of the first year following the year in which this chapter
146 becomes effective and by August 1 each year thereafter, submit to the commission and
147 the Department of Education a report of:

- 148 (i) The aggregate data of student attendance rates and course completion rates for
149 eligible core courses and eligible CTAE courses, as such terms are defined in Code
150 Section 20-2-161.3, of all participating students enrolled in such participating school;
151 (ii) The dates of enrollment for each participating student enrolled in such
152 participating school during the previous school year; and
153 (iii) The amount of account funds, if any, received on behalf of each participating
154 student during the previous school year; and
- 155 (B) Beginning on August 1 of the fourth year following the year in which this chapter
156 becomes effective and by August 1 each year thereafter, submit to the commission and
157 the Department of Education a report of the on-time graduation rate of participating
158 students enrolled in such participating school. For purposes of this subparagraph, the
159 on-time graduate rate shall be calculated using the four-year adjusted cohort graduation
160 rate criteria which are used by the Department of Education for state and federal
161 accountability purposes.
- 162 (3) Comply with the antidiscrimination provisions of 42 U.S.C. Section 2000d;
163 (4) Comply with all health and safety laws or codes that apply to private schools;
164 (5) Comply with all provisions of Code Section 20-2-690 and any other state law
165 applicable to private schools; and
166 (6) Be located in Georgia.
- 167 (b) A participating school or service provider may apply to the commission to participate
168 in the program and accept account funds for providing services covered as qualified
169 education expenses.
- 170 (c) The commission shall, not later than 60 days after receiving a participating school's or
171 service provider's application for approval, notify such school or service provider as to
172 whether its application has been approved or denied. If the commission denies an
173 application, the commission shall provide a reason and notify the school or service provider
174 that it may appeal the decision to the parent review committee created pursuant to Code
175 Section 20-2B-6.

176 (d) A participating school and service provider shall not refund, rebate, or share account
177 funds with a parent or student in any manner.

178 (e) The creation of the program shall not be construed to expand the regulatory authority
179 of the state, its officers, or any local school system to impose any additional regulation of
180 nonpublic schools beyond those reasonably necessary to enforce the requirements of this
181 chapter.

182 (f) The commission shall not require a participating school or service provider to alter such
183 school's or provider's creed, practices, admissions policies, employment policies, or
184 curricula in order to receive funds under the program.

185 (g) A participating school or service provider shall not be deemed an agent of the state or
186 federal government as a result of participating in the program or accepting account funds.

187 20-2B-5.

188 (a) The account funds granted to a participating student pursuant to this chapter shall be
189 \$6,500.00 per school year.

190 (b)(1) When a student enters the program, the commission shall receive all
191 documentation required for the student's participation during a quarterly enrollment
192 period provided for in paragraph (8) of subsection (a) of Code Section 20-2B-3 before the
193 first quarterly account payment is made for the student.

194 (2) Upon proper documentation received by the commission, the commission shall make
195 quarterly payments to the account of a participating student, beginning with the first
196 quarterly payment that corresponds with the enrollment period in which the student's
197 application was received. As nearly as practical, such quarterly payments shall be equal.
198 The state auditor shall cite as an audit exception any failure by the commission to meet
199 any payment deadlines and shall include such audit exceptions on the website established
200 pursuant to Code Section 50-6-32.

201 (3) The commission shall develop a system for parents to direct account funds to
202 participating schools and service providers by electronic funds transfer, automated

203 clearing-house transfer, or another system that the commission finds to be commercially
204 viable, cost-effective, and easy for parents of participating students to use. The
205 commission shall not adopt a system that relies solely on reimbursing parents for
206 out-of-pocket expenses, but may determine certain qualified education expenses that must
207 require reimbursement or preapproval for purchase. The commission is authorized to
208 qualify private financial management firms to manage the payment system. The
209 commission, at its discretion, shall be authorized to create a system of individually
210 funded accounts or notional accounts funded through a single state omnibus account.

211 (4) If the participating school requires partial payment of tuition prior to the start of the
212 academic year to reserve space for students admitted to the school, such partial payment
213 may be paid by the commission prior to the first quarterly payment of the year in which
214 the account is awarded, up to a maximum of \$1,000.00, and deducted from subsequent
215 account payments. If a student decides not to attend the participating school, the partial
216 reservation payment must be returned to the commission by such school. Only one
217 reservation payment per student may be made per year.

218 (c) Funds received pursuant to this Code section shall not constitute taxable income of the
219 parent of the participating student.

220 (d) Funds deposited into an account shall be used only for qualified education expenses
221 for the participating student. Unused funds in an account, up to an amount not greater
222 than 50 percent of the total funds deposited into the account for the current school year,
223 shall roll over to the following school year; provided, however, that, if an account has been
224 inactive for two consecutive years or the participating student graduates from high school,
225 the funds in such account shall be returned to the state general fund and the account shall
226 be closed.

227 (e) Nothing in this chapter shall be deemed to prohibit a parent or student from making a
228 payment for any tuition, fee, service, or product described in this chapter from a source
229 other than the account funds of the student.

230 20-2B-6.

231 (a) To assist in the determination of whether certain expenses meet the requirements to be
232 considered a qualified education expense under this chapter, a parent review committee
233 shall be established.

234 (b)(1) The committee shall comprise one person with relevant knowledge, skills, and
235 abilities and eight parents of participating students appointed by the president of the
236 commission. Four of the parents shall reside in local school systems with student
237 enrollment greater than 10,000, and four of the parents shall reside in local school
238 systems with student enrollment less than 10,000.

239 (2)(A)Members of the committee shall serve for staggered three-year terms and may
240 be reappointed; provided, however, that no individual shall be permitted to serve more
241 than three terms.

242 (B) The commission shall adopt rules for staggering the terms of members as required
243 in subparagraph (A) of this paragraph.

244 (3) The president of the commission or his or her designee shall serve as the chair of the
245 committee and shall only vote in the event of a tie.

246 (c) The commission may request the committee to determine whether an expenditure of
247 account funds from an account qualifies as a qualified education expense under this
248 chapter.

249 (d) The commission may request the committee review appeals of participating schools
250 or service provider application denials pursuant to subsection (c) of Code Section 20-2B-4.

251 20-2B-7.

252 (a) The commission shall adopt rules and regulations as necessary for the administration
253 of the program and shall include rules and regulations prioritizing the selection of
254 educationally disadvantaged students if either the number of participating students or the
255 number of applications for accounts exceeds the funds available for the program; provided,
256 however, that continued participation in the program by participating students shall be

257 prioritized over new applications for accounts. The commission shall adopt rules and
258 regulations regarding eligibility and participation of participating schools and service
259 providers, including, but not limited to, timelines that will maximize student and private
260 school participation, the calculation and distribution of accounts to participating students,
261 and the application and approval procedures for participating students, participating
262 schools, and service providers. The commission shall develop and utilize a compliance
263 form for completion by participating schools and service providers. The commission shall
264 be authorized to require any pertinent information as it deems necessary from participating
265 schools and service providers for the purpose of implementing the program. Participating
266 schools and service providers shall be required to complete such forms and certify their
267 accuracy.

268 (b) No liability shall arise on the part of the commission or the state or of any local board
269 of education based on the award or use of an account awarded pursuant to this chapter.

270 (c) The commission shall have the authority to conduct or contract for the auditing of
271 accounts and shall, at a minimum, conduct random audits on an annual basis. The
272 commission shall have the authority to make any parent or participating student ineligible
273 for the program in the event of misuse of account funds.

274 (d) The commission shall have the authority to refer cases of substantial misuse of account
275 funds to the Attorney General for investigation if evidence of fraudulent use is obtained.

276 (e) The commission may deduct an amount from accounts to cover the costs of overseeing
277 and administering the program, up to a maximum of 5 percent annually.

278 (f) The commission may contract with a qualified organization to administer the program
279 or specific functions of the program.

280 (g) The commission shall provide parents of participating students with an explanation of
281 the allowable uses of account funds, the responsibilities of parents, and the duties of the
282 commission.

283 20-2B-8.

284 (a)(1) In order to allow parents and taxpayers to measure the achievements of the
285 program, the commission shall annually approve no fewer than three nationally
286 norm-referenced tests that measure student academic progress in math and language arts.

287 (2) Private schools enrolling participating students shall ensure that a state-wide
288 assessment administered pursuant to Code Section 20-2-281 is annually administered to
289 each participating student enrolled in grades for which such a state-wide assessment is
290 administered, which shall be made available by the resident school system.

291 (3) The commission shall develop a process for the annual administration of a nationally
292 norm-referenced test or a state-wide assessment and the collection of results for
293 participating students not enrolled full time in a private school.

294 (b) The results of such norm-referenced tests and state-wide assessments shall be provided
295 to and collected by the commission or an organization chosen by the commission on an
296 annual basis.

297 (c) Student information shall be reported and collected in a manner that allows the state
298 to aggregate data by grade level, gender, and race.

299 (d) The commission or an organization chosen by the commission shall collect information
300 regarding the high school graduation rate of all participating students.

301 20-2B-9.

302 (a) The commission shall provide the General Assembly not later than December 1 of each
303 year with a report regarding the program for the previous fiscal year. Such report shall also
304 be posted on the commission's website.

305 (b) The report shall include, but not be limited to, numbers and demographics of
306 participating students and numbers of participating schools. The report shall also include:

307 (1) Participating student performance on nationally norm-referenced tests or state-wide
308 assessments, including aggregate information on long-term performance gains;

309 (2) The level of satisfaction with the program from parents of participating students;

310 (3) The percentage of funds used for each type of qualified education expense included
311 in paragraph (11) of Code Section 20-2B-2; and

312 (4) The fiscal impact to the state and resident school systems of the program, taking into
313 consideration both the impact on revenue and the impact on expenses. The fiscal savings
314 associated with students departing public schools shall be explicitly quantified, even if
315 the public school losing the student or students does not reduce its spending.

316 (c) The report shall apply appropriate analytical and behavioral science methodologies to
317 ensure public confidence in such report.

318 (d) The report shall protect the identity of participating students through whatever means
319 the commission deems appropriate, including, but not limited to, by keeping anonymous
320 all disaggregated data and complying with state and federal guidelines for student privacy.
321 The names of participating schools and the number of participating students at each such
322 school shall be included in the report.

323 (e) The Department of Audits and Accounts shall audit the program annually. Audit
324 reports, including, but not limited to, any findings and recommendations by the Department
325 of Audits and Accounts, shall be included in the first annual report submitted by the
326 commission pursuant to this Code section following completion of each audit of the
327 program by the Department of Audits and Accounts. Nothing in this subsection shall be
328 construed to limit the authority of the Department of Audits and Accounts to conduct an
329 audit at any time.

330 20-2B-10.

331 (a) In the annual report required by paragraph (2) of subsection (a) of Code
332 Section 20-14-27, the Office of Student Achievement shall include a separate list of public
333 schools that performed in the lowest 25 percent of all public schools based on individual
334 school ratings as provided for in subsection (d) of Code Section 20-14-33, provided that
335 in the event of a tied rating, the public school with the lower performance in student
336 achievement shall be prioritized; provided, further, however, that such list shall not include

337 any school with more than 50 percent of its enrolled students assigned to an education
338 program provided for in Code Section 20-2-154.1.

339 (b) By December 1 of each year, the Office of Student Achievement shall publish on its
340 website the list provided for in subsection (a) of this Code section."

341 **SECTION 2.**

342 Said title is amended further in Code Section 20-3-231, relating to legislative findings and
343 purposes of commission, by revising subsection (b) as follows:

344 "(b) **Purpose of commission.** The purpose of the commission shall be to help improve the
345 higher educational opportunities of citizens and persons in this state by serving as an
346 agency and budget unit within the executive branch of state government for the purpose of
347 carrying out and effectuating the powers, duties, and functions set forth in this part and in
348 Chapter 2B of this title."

349 **SECTION 3.**

350 (a) This Act shall become effective only if the "Quality Basic Education Act," as provided
351 for in Article 6 of Chapter 2 of Title 20, is fully funded in an appropriations Act making
352 specific reference to the full funding of the "Quality Basic Education Act" and shall become
353 effective when funds so appointed become available for expenditure.

354 (b) Subject to the provisions of subsection (a) of this Section, this Act shall be applicable
355 beginning on July 1, 2024.

356 **SECTION 4.**

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