

The House Committee on Education offers the following substitute to HB 987:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 20-2-165 of the Official Code of Georgia Annotated, relating to  
2 equalization grants, annual calculations, and allocation, so as to revise the definition of the  
3 term "qualified local school system school" by reducing the minimum required millage rate  
4 or effective millage rate from 14 mills to 10 mills; to provide for 25 percent reduction of  
5 equalization grant awards for local school systems whose millage rate or effective millage  
6 rate does not meet the minimum requirement; to require annual reporting by the Department  
7 of Education; to repeal a definition; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Code Section 20-2-165 of the Official Code of Georgia Annotated, relating to equalization  
11 grants, annual calculations, and allocation, is amended by repealing paragraph (5.1) of  
12 subsection (a), revising paragraph (9) of subsection (a), and adding two new subsections to  
13 read as follows:

14 "(9) 'Qualified local school system' is defined as any local school system:

15 (A) Having an assessed valuation per weighted full-time equivalent count for the year  
16 of the digest which is below the guaranteed valuation;

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17 (B) Having an effective millage rate greater than the millage rate applied to calculate  
 18 the local five mill share pursuant to subsection (a) of Code Section 20-2-164; and

19 (C) ~~Beginning July 1, 2015, having a millage rate or an equivalent millage of at least~~  
 20 ~~12 mills; beginning July 1, 2016, having a millage rate or an equivalent millage of at~~  
 21 ~~least 12 1/2 mills; beginning July 1, 2017, having a millage rate or an equivalent~~  
 22 ~~millage of at least 13 mills; beginning July 1, 2018, having a millage rate or an~~  
 23 ~~equivalent millage of at least 13 1/2 mills; beginning July 1, 2019, and thereafter,~~  
 24 ~~having a millage rate or an equivalent millage of at least 14 mills~~ July 1, 2024, and  
 25 thereafter, having a millage rate or an effective millage rate of at least 10 mills."

26 "(d.1) If, after a local school system's equalization grant has been calculated for the  
 27 ensuing fiscal year as provided in subsection (b) of this Code section, such school system  
 28 decreases the actual or effective millage levied against its digest for maintenance and  
 29 operation to an amount below the minimum amount required in subparagraph (a)(9)(C) of  
 30 this Code section, a midterm adjustment in such school system's equalization grant shall  
 31 be made such that the total equalization grant amount awarded to such school system is  
 32 reduced to an amount equal to 75 percent of the initial equalization grant amount."

33 "(f) Each year, the Department of Education shall prepare a report of each local school  
 34 system that received an equalization grant the previous fiscal year. Such report shall  
 35 include for each local school system the initial equalization grant amount, the midterm  
 36 adjustment to the equalization grant, and the total amount of equalization grants received  
 37 in the previous ten years. Such report shall also identify each local school system that  
 38 received an equalization grant during the previous fiscal year while having a millage rate  
 39 or an effective millage rate of less than 10 mills for the period of time upon which the  
 40 calculation of such equalization grant was based. Each year by September 1, the  
 41 Department of Education shall provide such report to the chairpersons of the House  
 42 Committee on Appropriations, the Senate Appropriations Committee, the House  
 43 Committee on Education, the Senate Education and Youth Committee, the director of the

44 Office of Planning and Budget, the director of the Senate Budget and Evaluation Office,  
45 and the director of the House Budget and Research Office."

46 **SECTION 2.**

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