

The House Committee on Education offers the following substitute to HB 12:

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" by reducing the minimum required millage rate or
4 effective millage rate from 14 mills to 10 mills; to provide for a 25 percent reduction of
5 equalization grant awards for local school systems whose millage rate or equivalent millage
6 rate does not meet the minimum requirement; to require annual reporting by the Department
7 of Education; 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 revising paragraph (9) of
12 subsection (a) and adding two new subsections to read as follows:

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

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

16 (B) Having an effective millage rate greater than the millage rate applied to calculate
17 the local five mill share pursuant to subsection (a) of Code Section 20-2-164; and
18 (C) ~~Beginning July 1, 2015, having a millage rate or an equivalent millage of at least~~
19 ~~12 mills; beginning July 1, 2016, having a millage rate or an equivalent millage of at~~
20 ~~least 12 1/2 mills; beginning July 1, 2017, having a millage rate or an equivalent~~
21 ~~millage of at least 13 mills; beginning July 1, 2018, having a millage rate or an~~
22 ~~equivalent millage of at least 13 1/2 mills; beginning July 1, 2019, and thereafter,~~
23 ~~having a millage rate or an equivalent millage of at least 14 mills~~ July 1, 2025, and
24 thereafter, having a millage rate or an equivalent millage rate of at least 10 mills."

25 "(d.1) If, after a local school system's equalization grant has been calculated for the
26 ensuing fiscal year as provided for in subsection (b) of this Code section, such local school
27 system decreases the actual or equivalent millage rate levied against its digest for
28 maintenance and operation to an amount below the minimum amount required in
29 subparagraph (a)(9)(C) of this Code section, a midterm adjustment in such local school
30 system's equalization grant shall be made such that the total equalization grant amount
31 awarded to such local school system is reduced to an amount equal to 75 percent of the
32 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 equivalent 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, no later than 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.