

House Bill 787 (AS PASSED HOUSE AND SENATE)

By: Representatives Hilton of the 95th, Jones of the 47th, Nix of the 69th, Dickey of the 140th,
and Stovall of the 74th

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 a needs based financial aid
13 program to provide grants to eligible students for postsecondary education at institutions of
14 the University System of Georgia; to provide for definitions; to provide for contingency on
15 funding; to provide for rules and regulations; to provide for audits; to provide for penalties;
16 to provide 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."

208

SECTION 5.

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

211 "20-2-274.

212 (a) The state board shall be authorized to provide each regional educational service agency
 213 with a uniform state-wide needs program grant and a documented local needs program
 214 grant, subject to appropriation by the General Assembly. The uniform state-wide needs
 215 program grant shall consist of two components: the same fixed amount for each regional
 216 educational service agency; and an amount which reflects the number of local school
 217 systems, the number of schools, the number of students, and the number of square miles
 218 contained collectively within its member local school systems and state charter schools.
 219 Each regional educational service agency shall be required to match the uniform state-wide
 220 needs program grant with an amount of funds equal to one-fourth of this grant. The
 221 uniform state-wide needs grant and its matching local funds shall be used to finance the
 222 basic administrative overhead of the regional educational service agencies and to provide
 223 the areas of assistance specified in Code Sections 20-2-270.1 and 20-2-271. The amount
 224 of funds granted to each regional educational service agency for the documented local
 225 needs program grant shall depend upon the proportion that the number of local school
 226 systems, number of schools, number of students, and number of square miles contained
 227 collectively within its member local school systems and state charter schools are of these
 228 respective factors state wide, as well as the adopted operational plan and the budget
 229 designed to address documented needs for assistance to member local school systems and
 230 state charter schools. Each regional educational service agency shall be required to match
 231 the documented local needs program grant with an amount of funds equal to two-thirds of
 232 that grant. The state board shall provide grants to regional educational service agencies for
 233 Georgia Learning Resources Systems or to a local school system contracted to be a fiscal
 234 agent for a Georgia Learning Resources System. Each board of control shall be authorized
 235 to adopt the manner by which each member local school system and state charter school
 236 shall be assessed its share of the uniform state-wide needs program and the documented
 237 local needs program; provided, however, that member local school systems and state
 238 charter schools shall not be allowed to use funds received under the provisions of this
 239 article for this purpose. The state board shall grant the regional educational service agency
 240 the funds needed to provide services to all local school systems and state charter schools

241 in the service area of the Georgia Learning Resources System designated as the fiscal agent
 242 or to any local school system contracted to serve as the fiscal agent for a Georgia Learning
 243 Resource System as well as the grants authorized previously by this subsection. All other
 244 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 state
 278 revenues other than equalization grants per full-time equivalent for all school systems;
 279 provided, however, that, if the average amount of the total revenues less federal
 280 revenues less state revenues other than equalization grants per full-time equivalent for
 281 the local school systems that comprise the attendance zone of the state chartered special
 282 school is less than the state-wide average amount of the total revenues less federal
 283 revenues less state revenues other than equalization grants per full-time equivalent for
 284 all school systems, the state chartered special school shall receive the greater of:

285 (i) The average amount of the total revenues less federal revenues less state revenues
 286 other than equalization grants per full-time equivalent for the local school systems
 287 that comprise the attendance zone of the state chartered special school; or

288 (ii) The average amount of the total revenues less federal revenues less state
 289 revenues other than equalization grants per full-time equivalent for the lowest five
 290 school systems ranked by assessed valuation per weighted full-time equivalent count,
 291 as determined by the department; and

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

297 (ii) For state chartered special schools that offer virtual instruction, an amount equal
 298 to 25 percent of the state-wide average total capital revenue per full-time equivalent
 299 if such school provides computer hardware, software, associated technical equipment,
 300 and ongoing maintenance required and necessary for its students to participate in such
 301 virtual instruction.

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

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

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

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

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

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

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

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

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

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

340 "(i) For purposes of funding students enrolled in a local charter school in the first year of
 341 such school's operation, in the first year that an existing local charter school offers a new
 342 grade level, or in an upcoming year in which student growth in the existing local charter
 343 school is projected to exceed 2 percent if authorized by the charter, and prior to the initial
 344 student count, the state board shall calculate and the Department of Education shall
 345 distribute the funding for the local charter school on the basis of its projected enrollment
 346 according to an enrollment counting procedure or projection method stipulated in the terms
 347 of the charter. Such initial funding shall include the adjustments in each program for
 348 training and experience. No later than July 1 of each year, the state board shall notify the
 349 Department of Education and the Office of Planning and Budget of the funding estimates

350 calculated pursuant to this subsection for any new local charter schools, any new grade
 351 levels offered by existing local charter schools, or any existing local charter schools with
 352 projected student growth exceeding 2 percent. After the initial student count during the
 353 first year of such local charter school's operation, newly offered grade level, or projected
 354 student growth exceeding 2 percent and in all years of operation thereafter, each local
 355 charter school's student enrollment shall be based on the actual enrollment in the current
 356 school year according to the most recent student count. Nothing in this Code section shall
 357 be construed to require the Department of Education to conduct more than two student
 358 counts per year."

359 **SECTION 6A.**

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

361 "20-2-2075.

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

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

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

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

380 **SECTION 7.**

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

382 "20-2-2075.

383 (a)(1) The Department of Audits and Accounts shall develop an annual report on state
 384 chartered special schools that offer virtual instruction. The Department of Audits and

385 Accounts may consult with the State Board of Education to develop and collect
386 information for the report.

387 (2) The annual report shall include at a minimum: school enrollment, including special
388 education population and other subgroups; attendance rate and method of measurement;
389 attrition rate; course segment completion rates; academic performance, including College
390 and Career Ready Performance Index (CCRPI) scores, value-added analysis, Beating the
391 Odds analysis, and student engagement and persistence; other academic performance as
392 it relates to the goals of the school's charter; comparison of student academic growth and
393 achievement prior to placement; governance and management; staffing and teacher
394 qualification data; school finances, including actual income and expenditures for the prior
395 fiscal year; operational performance, including analysis of academic performance as a
396 ratio of per student expenditures; innovative practices and implementation; analysis of
397 alternate academic options for enrolled students; and future plans. The annual report
398 shall also include information on the implementation of professional development plans
399 for persons in administrative, supervisory, or instructional leadership roles who do not
400 hold a valid administrative license; a copy of all charter school agreements for corporate
401 management services, including the company's parent corporation; and agreements for
402 other administrative, financial, and staffing services.

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

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

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

421 **SECTION 8.**

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

424 "20-2-2089.

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

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

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

445 (B) The state-wide average amount of the total revenues less federal revenues less state
 446 revenues other than equalization grants per full-time equivalent for all school systems;
 447 provided, however, that, if the average amount of the total revenues less federal
 448 revenues less state revenues other than equalization grants per full-time equivalent for
 449 the local school systems that comprise the attendance zone of the state charter school
 450 is less than the state-wide average amount of the total revenues less federal revenues
 451 less state revenues other than equalization grants per full-time equivalent for all school
 452 systems, the state charter school shall receive the greater of:

453 (i) The average amount of the total revenues less federal revenues less state revenues
 454 other than equalization grants per full-time equivalent for the local school systems
 455 that comprise the attendance zone of the state charter school; or

456 (ii) The average amount of the total revenues less federal revenues less state revenues
 457 other than equalization grants per full-time equivalent for the lowest five school

458 systems ranked by assessed valuation per weighted full-time equivalent count, as
 459 determined by the department; and

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

465 (ii) For state charter schools that offer virtual instruction, an amount equal to 25
 466 percent of the state-wide average total capital revenue per full-time equivalent if such
 467 school provides computer hardware, software, associated technical equipment, and
 468 ongoing maintenance required and necessary for its students to participate in such
 469 virtual instruction.

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

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

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

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

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

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

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

492 (c) No deduction shall be made to any state funding which a local school system is
 493 otherwise authorized to receive pursuant to this chapter as a direct result or consequence

494 of the enrollment in a state charter school of a specific student or students who reside in the
495 geographical area of the local school system.

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

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

518 SECTION 9.

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

520 "20-2-2093.

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

524 (2) The annual report shall include at a minimum: school enrollment, including special
525 education population and other subgroups; attendance rate and method of measurement;
526 attrition rate; course segment completion rates; academic performance, including College
527 and Career Ready Performance Index (CCRPI) scores, value-added analysis, Beating the
528 Odds analysis, and student engagement and persistence; other academic performance as
529 it relates to the goals of the school's charter; comparison of student academic growth and

530 achievement prior to placement; governance and management; staffing and teacher
 531 qualification data; school finances, including actual income and expenditures for the prior
 532 fiscal year; operational performance, including analysis of academic performance as a
 533 ratio of per student expenditures; innovative practices and implementation; analysis of
 534 alternate academic options for enrolled students; and future plans. The annual report
 535 shall also include information on the implementation of professional development plans
 536 for persons in administrative, supervisory, or instructional leadership roles who do not
 537 hold a valid administrative license; a copy of all charter school agreements for corporate
 538 management services, including the company's parent corporation; and agreements for
 539 other administrative, financial, and staffing services.

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

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

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

556 **SECTION 10.**

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

559 "Subpart 2A

560 20-3-360.

561 As used in this subpart, the term:

562 (1) 'Eligible student' means a person:

563 (A) Whose family income is considered economically disadvantaged, based on criteria
 564 established by the commission; and

565 (B) Who meets any academic or other standards established by the commission.

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

567 20-3-361.

568 Subject to appropriations, the commission shall establish a needs based financial aid
 569 program to provide grants to eligible students for postsecondary education at qualified
 570 institutions. The commission may provide for individualized eligibility criteria and grant
 571 amounts as determined to be the most appropriate for the particular qualified institution and
 572 its student population. The commission shall also establish criteria necessary to retain and
 573 continue to receive such grants.

574 20-3-362.

575 Each eligible student wishing to receive a grant pursuant to this subpart shall submit a grant
 576 application in accordance with procedures prescribed by the commission. The commission
 577 is authorized to define such terms and prescribe such rules, regulations, and procedures as
 578 may be reasonable and necessary to carry out the purposes of this subpart. In the event a
 579 student on whose behalf a grant is paid does not enroll as a full-time student for the
 580 academic semester for which the grant is paid, the qualified institution shall make a refund
 581 to the commission in accordance with regulations of the commission.

582 20-3-363.

583 Each qualified institution shall be subject to examination by the state auditor for the sole
 584 purpose of determining whether the institution has properly certified eligibility and
 585 enrollment of students and credited grants paid on behalf of such students; provided,
 586 however, that nothing in this subpart shall be construed to interfere with the authority of
 587 the institution to determine admissibility of students or to control its own curriculum,
 588 philosophy, purpose, or administration. In the event it is determined that a qualified
 589 institution knowingly or through error certified an ineligible student to be eligible for a
 590 grant under this subpart, the amount of the grant paid to such institution pursuant to such
 591 certification shall be refunded by such institution to the commission.

592 20-3-364.

593 Any person who knowingly makes or furnishes any false statement or misrepresentation,
 594 or who accepts such statement or misrepresentation knowing it to be false, for the purpose

595 of enabling an ineligible student to wrongfully obtain a grant under this subpart shall be
596 guilty of a misdemeanor."

597 **SECTION 11.**

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