The House Committee on Education offers the following substitute to HB 787:

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 related matters; to repeal conflicting laws; and for
- 7 other purposes.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 SECTION 1.

- 10 Title 20 of the Official Code of Georgia Annotated, relating to education, is amended in
- 11 Code Section 20-2-270, relating to the establishment of a state-wide network of regional
- 12 educational service agencies, as follows:
- 13 "20-2-270.
- 14 (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 <u>and</u>
- 17 <u>state charter schools</u>; 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.'
- 21 (b) The State Board of Education shall establish the service area of each regional
- 22 educational service agency as a geographically defined area of the state. All local school
- 23 systems, state charter schools, Technical College System of Georgia facilities and
- institutions, and University System of Georgia facilities and institutions that are located in
- 25 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

- 28 educational service agency.
- 29 (d) Each regional educational service agency and its employees shall be subject to or
- 30 exempt from taxation in the same manner as are school systems and school system
- 31 employees.
- 32 (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.
- 34 (f) Regional educational service agencies are not state agencies but shall be considered
- local units of administration for purposes of this chapter."

36 SECTION 2.

- 37 Said title is further amended by revising Code Section 20-2-270.1, relating to services
- 38 provided by regional educational service agencies, as follows:
- 39 "20-2-270.1.
- 40 (a) Each regional educational service agency shall provide the following shared services
- 41 to member local school systems <u>and state charter schools</u>:
- 42 (1) Identifying or conducting research related to educational improvements and in
- planning for the implementation of such improvements;
- 44 (2) Developing and implementing staff development programs with an emphasis on
- improving student achievement and school accountability;
- 46 (3) Developing and implementing curricula and instruction of the highest quality
- 47 possible, including implementing the uniformly sequenced content standards adopted by
- 48 the state board;
- 49 (4) Developing and implementing academic assessment and evaluation programs;
- 50 (5) Identifying and utilizing electronic technology, including computers, in an effort to
- 51 improve the quality of classroom instruction as well as classroom, school, and school
- 52 system management;
- 53 (6) Developing programs, resource materials, and staff development services relating to
- instruction on alcohol and drug abuse; and
- 55 (7) Assistance in the development and implementation of a state-wide mentoring
- 56 program.
- 57 The shared services may also include assistance designed to address documented local
- needs pursuant to subsection (d) of Code Section 20-2-272.
- 59 (b) The state board shall make the service areas for the Georgia Learning Resources
- 60 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 <u>and state charter schools</u> 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.

81 (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:

87 "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

94 schools.
95 (b) By July 1, 2002, each 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:

99 (1) Training and assistance in teaching each subject area assessed under Code 100 Section 20-2-281;

- 101 (2) Assistance specifically designed for any school that is rated academically failing under Code Section 20-14-33;
- 103 (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.

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(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 <u>and state charter schools</u>, 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 <u>or state charter school</u>.
- (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 work force 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."

151 **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:
- 154 "20-2-272.

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- 155 (a) Each regional educational service agency shall be governed by a board of control. On 156 and after July 1, 2000, the school superintendent of each member school system, the 157 president or highest administrator of each member postsecondary institution, and a local 158 public or regional library director appointed by the director of the Office of Public Library
- public of regional notary director appointed by the director of the office of rubine Elotary
- 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.

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(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."

199 **SECTION 5.**

Said title is further amended by revising Code Section 20-2-274, relating to uniform 200 201 state-wide needs program and documented local needs program grants, as follows:

202 "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

206 program grant shall consist of two components: the same fixed amount for each regional 207 educational service agency; and an amount which reflects the number of local school 208 systems, the number of schools, the number of students, and the number of square miles 209 contained collectively within its member local school systems and state charter schools. 210 Each regional educational service agency shall be required to match the uniform state-wide 211 needs program grant with an amount of funds equal to one-fourth of this grant. The 212 uniform state-wide needs grant and its matching local funds shall be used to finance the 213 basic administrative overhead of the regional educational service agencies and to provide 214 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 215 needs program grant shall depend upon the proportion that the number of local school 216 217 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 218 219 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 220 state charter schools. Each regional educational service agency shall be required to match 221 222 the documented local needs program grant with an amount of funds equal to two-thirds of 223 that grant. The state board shall provide grants to regional educational service agencies for 224 Georgia Learning Resources Systems or to a local school system contracted to be a fiscal 225 agent for a Georgia Learning Resources System. Each board of control shall be authorized 226 to adopt the manner by which each member local school system and state charter school 227 shall be assessed its share of the uniform state-wide needs program and the documented 228 local needs program; provided, however, that member local school systems and state 229 charter schools shall not be allowed to use funds received under the provisions of this 230 article for this purpose. The state board shall grant the regional educational service agency 231 the funds needed to provide services to all local school systems and state charter schools 232 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 233 234 Resource System as well as the grants authorized previously by this subsection. All other 235 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 236 basis, may be derived from local, state, federal, or private sources. 237 238 (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 239 state charter school by this article; provided, however, that, upon the official request of a 240 241 local school system or state charter school, the state board may send directly to a regional 242 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 <u>state-wide</u> 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 <u>all school systems</u>; and
 - (C) The state-wide average total capital revenue per full-time equivalent, as determined by the department; provided, however, that, if a brick-and-mortar state chartered special school is located within the boundaries of a local school system where the capital revenue per full-time equivalent is greater than 25 percent above the state-wide average total capital revenue per full-time equivalent, such state chartered special school shall receive capital revenue pursuant to this subparagraph equal to 125 percent of the state-wide average total capital revenue per full-time equivalent.

- 279 (2) In the event that a state chartered special school offers virtual instruction:
- (A) The amount of funds received pursuant to subparagraph (B) of paragraph (1) of 280 281 this subsection shall be equal to two-thirds of such calculated amount; provided, 282 however, that this two-thirds amount may be increased by any amount up to the 283 originally calculated amount in the discretion of the department if relevant factors 284 warrant such increase; and
 - 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 shall be equal to 25 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.
- (3) For purposes of this subsection, the terms: 292

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- (A) 'Assessed valuation' is defined as 40 percent of the equalized adjusted property tax 293 digest reduced by the amount calculated pursuant to subsection (g) of Code 294 Section 20-2-164. 295
 - (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 309 310 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. 312
- (7) The local board shall not be responsible for the fiscal management, accounting, or 313 314 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 315

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 7.

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

*"*20-2-2089.

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(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 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.

- (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 <u>state-wide</u> 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 <u>all school systems</u>; and
- (C) The state-wide average total capital revenue per full-time equivalent, as determined by the department; provided, however, that, if a brick-and-mortar state charter school is located within the boundaries of a local school system where the capital revenue per full-time equivalent is greater than 25 percent above the state-wide average total capital revenue per full-time equivalent, such state charter school shall receive capital revenue pursuant to this subparagraph equal to 125 percent of the state-wide average total capital revenue per full-time equivalent.
- (2) In the event that a state charter school offers virtual instruction:
 - (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 shall be equal to 25 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.
- (3) For purposes of this subsection, the terms:

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(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."

425 **SECTION 8.**

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