

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 and related matters; to provide
3 for the creation of the Georgia Education Savings Authority as a state-wide authority; to
4 provide for definitions; to provide for its membership, manner of appointment, terms of
5 office, and powers and duties; to provide for keeping of records and maintenance of
6 accounts; to prohibit certain conflicts; to provide for assignment of such authority to the
7 Georgia Student Finance Commission for administrative purposes; to provide for promise
8 scholarship accounts to be funded by the state in the amount of \$6,500.00 per school year for
9 each participating student, subject to certain adjustments; to provide for such adjustments;
10 to provide for a short title; to provide for definitions; to provide for qualified education
11 expenses; to provide for qualifications for students to participate in the promise scholarship
12 account program; to provide for requirements for participating schools and service providers;
13 to provide for accounts and account funds; to establish a parent review committee to review
14 expenditures upon request; to provide for statutory construction; to authorize the Georgia
15 Student Finance Commission to participate in the promise scholarship account program and
16 to promulgate rules and regulations; to provide for annual report on the program by the
17 commission; to provide for annual testing of participating students; to provide for audits by
18 the Department of Audits and Accounts; to provide for an annual report by the Office of

19 Student Achievement; to provide for statutory construction; to require the State Board of
20 Education to provide for procedures for student transfers between local school systems; to
21 provide that only the receiving local school system shall have the authority to grant or refuse
22 permission for such transfers; to provide for caps on tuition that can be charged to a student
23 by an enrolling local unit of administration; to change the Quality Basic Education Formula
24 program weights for funding purposes; to provide that capital outlay funds may be used for
25 educational facilities for certain voluntary pre-kindergarten programs provided by the school
26 system; to provide that student projection counts may include pre-kindergarten; to revise a
27 provision for grants to low-performing schools applicable by a nonprofit corporation
28 incorporated by the Georgia Foundation for Public Education for such purpose; to amend
29 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, so as
30 to increase the limits available to individuals, heads of household, married couples filing
31 joint returns, and individuals who are members of certain companies, corporations, or
32 partnerships; to provide for married couples filing separate returns; to increase the maximum
33 allowed amount of tax credits; to remove a restriction that such tax credit not be allowed if
34 the taxpayer's qualified education donation is designated for the direct benefit of any
35 particular school or program which the taxpayer's child or children attend; to extend an
36 automatic repealer; to provide for effective dates and for contingent effectiveness and
37 applicability as to certain parts; to provide for automatic repeal; to provide for a grandfather
38 provision; to provide for related matters; to repeal conflicting laws; and for other purposes.

39 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

40 **PART I**
41 **SECTION 1-1.**

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

44 "CHAPTER 2B
45 ARTICLE 1

46 20-2B-1.

47 As used in this article, the term:

48 (1) 'Board of directors' or 'board' means the board of directors of the education savings
49 authority.

50 (2) 'Commission' means the Georgia Student Finance Commission.

51 (3) 'Director' means a member of the board of directors.

52 (4) 'Education savings authority' means the Georgia Education Savings Authority created
53 by this article.

54 20-2B-2.

55 There is created a public authority, a body corporate and politic, to be known as the
56 Georgia Education Savings Authority, which shall be deemed to be an instrumentality of
57 this state and a nonprofit public corporation.

58 20-2B-3.

59 (a) **Functions and composition.** The education savings authority shall be governed and
60 all of its corporate powers, duties, and functions shall be exercised by a board of directors.

61 The board of directors shall be composed of the same persons who are serving as members

62 of the board of commissioners of the commission pursuant to Code Section 20-3-234. The
63 executive director of the education savings authority, or president, if designated by such
64 title by the board of directors, shall be an ex officio member of the board of directors. No
65 director shall be eligible to become an officer or employee of the education savings
66 authority for a period of one year after expiration of the director's period of service as a
67 director of the education savings authority.

68 **(b) Organization and conduct of affairs.** Subsections (c) through (h) of Code Section
69 20-3-234, pertaining to the commission and relative to officers of the board of
70 commissioners, meetings of the board of commissioners, executive committee, other
71 committees, compensation of commissioners, and advisory councils, inclusively, are
72 incorporated by reference into this subsection and shall apply to the board of directors in
73 the same manner as if fully set out, with conformable language, in this subsection. The
74 board of directors shall organize and conduct its affairs in accordance with such provisions
75 of law; provided, however:

76 (1) That nothing in this Code section shall be construed to mean that the board of
77 directors must elect the same persons to serve as officers of the board of directors as are
78 elected by the board of commissioners of the commission to serve as officers of the board
79 of commissioners;

80 (2) That no person serving as a public commissioner of the commission and thereby as
81 a director of the education savings authority shall receive more than one day's per diem
82 plus actual expenses incurred for one day's service or portion thereof rendered to the
83 state; and

84 (3) That the limitation as to the number of days during any fiscal year that per diem may
85 be paid to a public commissioner of the commission shall be inclusive of services
86 rendered by such person as a director of the education savings authority.

87 20-2B-4.
88 The executive director of the commission, or president, if designated by such title by the
89 board of commissioners, shall serve as the executive director or president, if designated by
90 such title by the board of directors, and chief executive officer of the education savings
91 authority. The executive director shall provide for maintenance of accurate and permanent
92 minutes and records of all proceedings and activities of the board of directors and the
93 education savings authority and shall be responsible for and authorized to implement and
94 carry out all administrative powers, duties, and functions of the education savings authority
95 in accordance with governing state and federal laws and rules, regulations, and policies
96 prescribed by the board of directors. The treasurer of the commission shall serve as
97 treasurer of the education savings authority. The treasurer shall receive and disburse all
98 funds made available to or for the use of the education savings authority by the General
99 Assembly or otherwise in accordance with law and as may be directed by the board of
100 directors. The secretary of the commission shall serve as secretary of the education savings
101 authority. Other officers of the commission who are assigned duties and responsibilities
102 relative to the purposes of the education savings authority may be designated as officers
103 of the education savings authority. The foregoing officers and all other employees,
104 professional personnel, agents, experts, consultants, and persons employed or retained by
105 the commission who are assigned duties and responsibilities relative to the purposes of the
106 education savings authority shall perform such assigned duties and responsibilities in
107 accordance with this article. Fidelity bond coverage of officers, employees, and members
108 of the commission provided pursuant to paragraph (4) of Code Section 20-3-235 and
109 covering such persons who are performing duties and responsibilities relative to the
110 education savings authority pursuant to this article shall also be conditioned as to the
111 insured and in such respects and for such sums as the board of directors determines
112 necessary to protect the interests of the education savings authority.

113 20-2B-5.

114 (a) In addition to all other provisions of this chapter and in furtherance of the purposes of
115 the education savings authority, the education savings authority shall have the following
116 general powers, duties, and functions:

117 (1) The education savings authority shall establish and administer each student assistance
118 program provided for in this chapter in accordance with the provisions of this article.
119 Pursuant thereto, the education savings authority is further authorized:

120 (A) To adopt rules, regulations, and policies necessary, appropriate, or convenient for
121 the administration of its affairs; the execution of its powers, duties, and functions; and
122 the accomplishment of its corporate purposes, as prescribed in this chapter;

123 (B) To receive all moneys made available by the General Assembly or otherwise for
124 the purposes of the education savings authority and to use such moneys in accordance
125 with this chapter;

126 (C) To administer federal funds allotted to the education savings authority or to the
127 state for use by the education savings authority in respect of programs provided for in
128 federal laws, related matters, and related administrative costs;

129 (D) To enter into contracts and agreements with schools upon such terms and
130 conditions as may be prescribed by the education savings authority or otherwise agreed
131 upon between the education savings authority and the school, not inconsistent with this
132 chapter, applicable state or federal law, or agreements entered into between the
133 education savings authority and any federal or state agency;

134 (E) To require that schools located in the state shall designate one or more persons who
135 shall be responsible for receiving and controlling and disbursing, delivering, or
136 crediting to accounts, as the case may be, funds that are required to be or which may
137 optionally be disbursed to, delivered to, or otherwise provided to the school under this
138 chapter, for further disbursement, delivery, or credit to the account of students enrolled
139 therein; and to provide for matters relative thereto;

140 (F) To require that schools located in the state or, with approval of the education
141 savings authority, a combination of schools jointly shall provide fidelity bond coverage
142 of school employees who have access to funds that may be routed through the school
143 to students enrolled therein to the extent expressly authorized in this chapter, in such
144 sums and conditioned in such respects and as to the insured as may be reasonably
145 necessary to protect the interests of the education savings authority; and to provide for
146 matters relative thereto;

147 (G) To limit, suspend, or terminate the participation of a school in any financial
148 assistance program administered by the education savings authority, in accordance with
149 rules and regulations of the education savings authority that are consistent with this
150 chapter, applicable state or federal laws, and agreements entered into between the
151 educations savings authority and the school or any federal or state agency; and to
152 provide for such formal and informal procedures in regard thereto as may be
153 appropriate;

154 (H) To require that reports, in such form and containing such information as the
155 education savings authority may prescribe, be furnished to the education savings
156 authority by schools as it may deem necessary for the effective performance of its
157 powers, duties, and functions under this chapter;

158 (I) To require that such administrative and fiscal procedures be used by the education
159 savings authority and schools as may be necessary to protect the financial interests of
160 the education savings authority and to ensure proper and effective administration of
161 programs administered by the education savings authority;

162 (J) To keep and maintain, and to require that schools keep and maintain, such records
163 as may be determined to be necessary for proper and efficient administration of the
164 programs under this chapter; and to require that such school records be made available
165 to employees of the education savings authority for examination and inspection as may
166 be necessary or appropriate;

167 (K) To secure data, except where specifically prohibited by state or federal law, from
168 any state agency, department, instrumentality, political subdivision of the state, or any
169 other source, for the purpose of verifying information submitted by a student or a parent
170 when applying for or receiving any financial resources administered by the education
171 savings authority under this chapter; and to pay costs incurred by the provider of such
172 data;

173 (L) Except where specifically prohibited by state or federal law, to obtain from each
174 state agency, department, instrumentality, and political subdivision information
175 contained in its records relative to the present or last known address and telephone
176 number of a borrower, comaker, cosigner, or endorser, identified to the provider by
177 name and social security number, and to pay costs incurred by the provider of such
178 information; and each state agency, department, instrumentality, and political
179 subdivision is authorized and directed to provide the information specified in this
180 subparagraph to the education savings authority upon its request;

181 (M) To advertise or otherwise promote the programs, functions, and purposes of the
182 education savings authority and to expend funds available to the education savings
183 authority for such purposes;

184 (N) To solicit, receive, and accept funds from any source, public or private, by gift,
185 grant, bequest, loan, or otherwise, either absolutely or in trust, and to hold, use,
186 administer, and expend such funds on its behalf and for any of its corporate purposes;
187 and to acquire from any source, public or private, by purchase, lease, gift, bequest, or
188 devise, any property, real, personal, or mixed, either absolutely or in trust, and to hold,
189 use, administer, and dispose of such property on its behalf and for any of its corporate
190 purposes;

191 (O) To provide for procedures consistent with the provisions of this chapter for the
192 filing, hearing, and determination of an appeal made by an aggrieved party of a decision

193 made by the education savings authority in the administration of programs provided for
194 in this chapter and for all matters relative thereto;
195 (P) To enter into agreements and undertakings as may be necessary or appropriate in
196 the exercise of its powers, duties, and functions under this chapter;
197 (Q) To perform such other acts as may be necessary or appropriate to carry out
198 effectively the purposes of the education savings authority under this chapter consistent
199 with the provisions of this chapter;
200 (R) To adopt an official seal and alter the seal at its pleasure;
201 (S) To maintain a principal office and such other offices as may be appropriate;
202 (T) To adopt bylaws and policies for the regulation of its affairs and the conduct of its
203 business;
204 (U) To bring and defend actions in the name of the education savings authority and to
205 plead and be impleaded;
206 (V) To do any and all things necessary, desirable, convenient, or incidental for the
207 accomplishment of the objectives of this chapter and to exercise any power usually
208 possessed by private corporations performing similar functions which is not in conflict
209 with the public purposes of the education savings authority or the Constitution and laws
210 of this state, including, but not limited to:
211 (i) The power to retain accounting and other financial services;
212 (ii) The power to purchase all kinds of insurance, including, without limitation,
213 insurance against tort liability and against risks of damage to property;
214 (iii) The power to indemnify and hold harmless any parties contracting with the
215 education savings authority or its agents from damage to persons or property; and
216 (iv) The power to act as a self-insurer with respect to any loss or liability and to
217 create insurance reserves;
218 (W) To appoint officers, agents, and employees, to prescribe their duties and
219 qualifications, and to fix their compensation, as provided in this article; and

220 (Y) To incorporate one or more nonprofit corporations to aid the education savings
221 authority in carrying out any of its powers, duties, and functions. Any such nonprofit
222 corporation created pursuant to this subparagraph shall be a body corporate and politic
223 and shall be created pursuant to Chapter 3 of Title 14, the 'Georgia Nonprofit
224 Corporation Code,' and the Secretary of State shall be authorized to accept such filing.
225 Upon dissolution of any such nonprofit corporation, any assets of such nonprofit
226 corporation shall revert to the education savings authority or to any successor to the
227 education savings authority, or failing such succession, to the State of Georgia. The
228 education savings authority shall not be liable for the debts, obligations, or bonds of any
229 such nonprofit corporation or for the actions or omissions to act of any such nonprofit
230 corporation unless the education savings authority so consents;

231 (2) Employees of the commission may perform management, supervisory,
232 administrative, and clerical functions required by the education savings authority, and the
233 commission will be compensated for such expenses as directed by the board of directors;

234 (3) To service or contract for the servicing of educational loans, including the servicing
235 of such loans by the education savings authority on behalf of others, to contract in
236 advance for the servicing of loans for educational purposes, and to contract for the
237 performance by the education savings authority of loans for educational purposes; and

238 (4) To the extent that this article is inconsistent with any other state general or special
239 law, rule, or regulation, this article shall be controlling.

240 (b) Pursuant to Code Section 50-18-70, the education savings authority shall not disclose
241 and shall keep confidential, in each case unless identifying information has been redacted:

242 (1) Records that include information identifying a student or former student by name,
243 address except for ZIP Code, telephone number, or emergency contact; and

244 (2) Records that reveal an individual's social security number, mother's birth name, credit
245 card information, debit card information, bank account information, account number,
246 utility account number, password used to access his or her account, financial data or

247 information, insurance or medical information in all records, unlisted telephone number
248 if so designated in a public record, personal email address or cellular telephone number,
249 or month and day of birth.

250 (c) Except as prohibited by federal or state law and as limited by paragraph (1) of
251 subsection (a) of Code Section 18-4-5, individuals who owe any amount to the education
252 savings authority relating to any loan, scholarship, or grant made by the education savings
253 authority, including loan repayments and refunds, are, without judicial action, subject to
254 garnishment of their pay, loss of a professional license, offset of lottery winnings, and
255 offset of a state tax refund in accordance with rules and regulations promulgated by the
256 education savings authority. As used in this subsection, the term 'refund' means
257 scholarship and grant amounts paid to or on behalf of individuals, in accordance with rules
258 and regulations promulgated by the education savings authority, subsequently determined
259 to be ineligible to receive such scholarship and grant amounts. The remedies set forth in
260 this subsection shall be in addition to all other remedies available at law and in equity.

261 20-2B-6.

262 The education savings authority shall maintain a system of accounts in accordance with
263 generally accepted accounting procedures and standard accounting procedures and systems
264 established by the state, where applicable, which shall, among other things, properly
265 identify and account for all funds received by the education savings authority, the source
266 of such funds, and all expenditures of the education savings authority. Agency, federal,
267 and other funds of the education savings authority determined to be available for such
268 purposes may be used to pay expenses and operating costs incurred by the education
269 savings authority, including payments to the commission to defray expenses and operating
270 costs of the education savings authority or to be paid by the commission for or on behalf
271 of the education savings authority. No funds of the education savings authority shall lapse
272 to the state as of the close of any fiscal year.

273 20-2B-7.

274 If any director, officer, or employee of the education savings authority shall be interested,
275 either directly or indirectly, or shall be a director, officer, or employee of or have an
276 ownership interest in, other than a noncontrolling stockholder interest, or the substantial
277 equivalent thereof, in a lender or school, any firm or corporation interested, directly or
278 indirectly, in any contract with the education savings authority, except any agency,
279 instrumentality, or political subdivision of the state, such interest shall be disclosed to and
280 shall be set forth in the minutes of the education savings authority; and the director, officer,
281 or employee having such interest therein shall not participate on behalf of the education
282 savings authority or such party in the negotiation or the authorization of the contract. No
283 provision of this article shall be construed, however, to prevent any otherwise eligible
284 director, officer, or employee of the education savings authority or member of his or her
285 family from being eligible to apply for and receive financial aid assistance provided for
286 under this chapter.

287 20-2B-8.

288 The education savings authority is assigned to the commission for administrative purposes
289 only."

290

PART II

291

SECTION 2-1.

292 Said title is further amended by adding a new article to Chapter 2B to read as follows:

293 "ARTICLE 2294 20-2B-20.295 This article shall be known and may be cited as the 'Georgia Promise Scholarship Act.'296 20-2B-21.297 As used in this article, the term:298 (1) 'Account' or 'promise scholarship account' means a consumer directed account
299 established pursuant to this article and composed of state funds deposited on behalf of a
300 participating student and which may be used for qualified education expenses.301 (2) 'Account funds' means the funds awarded on behalf of a participating student.302 (3) 'Curriculum' or 'curricula' means a complete course of study for a particular content
303 area or grade level, including any supplemental materials required by the course of study.304 (4) 'Education savings authority' means the Georgia Education Savings Authority.305 (5) 'Parent' means a biological parent, legal guardian, custodian, or other person with
306 legal authority to act on behalf of a student.307 (6) 'Participating school' means a private school that has notified the education savings
308 authority of its intention to participate in the program, that complies with the education
309 savings authority's requirements, and that meets the requirements of Code Section
310 20-2B-23.311 (7) 'Participating student' means a student for whom an account has been established
312 pursuant to this article.313 (8) 'Private school' means a nonpublic school, sectarian or nonsectarian, which is
314 accredited or in the process of becoming accredited by a recognized accrediting agency,
315 as such term is defined in Code Section 20-14-96, or by one or more of the entities listed
316 in subparagraph (A) of paragraph (6) of Code Section 20-3-519.317 (9) 'Program' means the account program provided pursuant to this article.

318 (10) 'Qualified education expenses' means any one or more of the following:

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

323 (B) Tutoring services provided by an educator certified by the Professional Standards
324 Commission;

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

327 (D) Services from a physician or therapist licensed pursuant to Chapter 10A, 28, 33,
328 34, or 44 of Title 43, including, but not limited to, for occupational, behavioral,
329 physical, or speech-language therapies;

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

332 (F) Fees for the management of account funds in accordance with subsection (e) of
333 Code Section 20-2B-26;

334 (G) Other expenses authorized by the State Board of Education or the education
335 savings authority; or

336 (H) Individual education expenses authorized by a majority of the parent review
337 committee as provided for in Code Section 20-2B-25.

338 (11) 'Resident school system' means the public school system in which the student would
339 be enrolled based on his or her residence.

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

342 20-2B-22.

343 (a) A student shall qualify for a promise scholarship account under this article if:

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

348 (2) The student is currently enrolled and has been continuously enrolled in a Georgia
349 public school for a period of time that includes at least two consecutive enrollment counts
350 conducted pursuant to Code Section 20-2-160; provided, however, that such enrollment
351 requirement shall not apply to a child who meets all other qualifications provided for in
352 this subsection and is eligible to enroll in a qualified kindergarten program of the public
353 school in which such child would be enrolled based on his or her residence;

354 (3) The student resides in the attendance zone of a public school that is included on the
355 list of public schools provided for in Code Section 20-2B-29;

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

358 (5)(A) Except as provided in subparagraph (B) of this paragraph, the student's family
359 income does not exceed 400 percent of the federal poverty level as defined annually by
360 the federal Office of Management and Budget.

361 (B) In the event that the amount of funds appropriated for the program exceeds the
362 amount of funds necessary to include all students who meet the family income
363 requirement provided for in subparagraph (A) of this paragraph and the student:

364 (i) Is already a participating student; or

365 (ii) Timely submitted an application for an account to the education savings authority
366 by either of the two quarterly application deadlines immediately preceding July 1 as
367 provided for in paragraph (9) of this subsection,

368 the student's family income exceeds 400 percent of the federal poverty level as defined
369 annually by the federal Office of Management and Budget; provided, however, that

370 from among students provided for in this subparagraph, students who previously
371 participated in the program shall be prioritized;

372 (6) The student is not the recipient or beneficiary of a scholarship or other benefit
373 provided for under Article 33 of Chapter 2 of this title, the 'Georgia Special Needs
374 Scholarship Act,' nor shall the student or the student's parent seek to receive such
375 scholarship or other benefit at any time during which such student is a participating
376 student;

377 (7) The student is not the recipient or beneficiary of a scholarship, tuition grant, or other
378 benefit from a student scholarship organization, as such term is defined in Code
379 Section 20-2A-1, nor shall the student or the student's parent seek to receive such
380 scholarship, tuition grant, or other benefit at any time during which such student is a
381 participating student;

382 (8) The student's parent signs an agreement promising:

383 (A) To provide an education for the student in at least the subjects of reading,
384 grammar, mathematics, social studies, and science;

385 (B) Not to enroll the student in a local school system school, local charter school, state
386 charter school, or completion special school while participating in the program;
387 provided, however, that this subparagraph shall not be construed to prohibit students
388 from part-time enrollment in a college and career academy, as such term is defined in
389 subsection (b) of Code Section 20-4-37, which has been approved by the education
390 savings authority to be a service provider; and

391 (C) To use account funds only for the student's qualified education expenses; and

392 (9) The student's parent submits an application for an account to the education savings
393 authority no later than the deadline established by the education savings authority;
394 provided, however, that the education savings authority shall provide quarterly
395 application periods and deadlines that correspond with quarterly funding dates pursuant
396 to subsection (b) of Code Section 20-2B-24.

397 (b) Upon acceptance of the account, the parent assumes full financial responsibility for the
398 education of the participating student, including transportation to and from the participating
399 school or service provider.

400 (c) Students enrolled in a school operated by the Department of Juvenile Justice are not
401 eligible for the program.

402 (d) A participating student shall continue to be eligible to receive account funds until the
403 student returns to a public school, graduates from high school, or reaches the age of 20
404 years, or for special education students, reaches the age of 21 years; provided, however,
405 that a student who participated in the program for any length of time before returning to a
406 public school must submit a new application for an account in order to participate in the
407 program for a second or subsequent time; and provided, further, that such students shall be
408 prioritized for participation in the program over students who have not previously
409 participated in the program, except as otherwise provided for in this article.

410 (e) The creation of the program or the granting of an account pursuant to this article shall
411 not be construed to imply that a public school did not provide a free and appropriate public
412 education for a participating student or constitute a waiver or admission by the state. A
413 participating student's resident school system shall not be obligated to provide services to
414 such student that would be required if such student were enrolled in such school system
415 unless the student reenrolls in the resident school system.

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

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

422 (h) Any parent who fails to comply with the provisions of this article and education
423 savings authority regulations relating to the program shall forfeit the account and all
424 account funds therein.

425 20-2B-23.

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

427 (1) Demonstrate fiscal soundness by having been in operation for one school year or by
428 submitting a financial information report for the school that complies with uniform
429 financial accounting standards established by the education savings authority and
430 conducted by a certified public accountant. The report shall confirm that the school
431 desiring to participate is insured and the owner or owners of such school have sufficient
432 capital or credit to operate the school for the upcoming school year serving the number
433 of students anticipated with expected revenues from tuition and other sources that may
434 be reasonably expected. The report shall be limited in scope to those records that are
435 necessary for the education savings authority to make a determination on fiscal soundness
436 of the school;

437 (2)(A) Beginning on August 1 of the first year following the year in which this article
438 becomes effective and by August 1 each year thereafter, submit to the education
439 savings authority and the Department of Education a report of:

440 (i) The aggregate data of student attendance rates and course completion rates for
441 eligible core courses and eligible CTAE courses, as such terms are defined in Code
442 Section 20-2-161.3, of all participating students enrolled in such participating school;

443 (ii) The dates of enrollment for each participating student enrolled in such
444 participating school during the previous school year; and

445 (iii) The amount of account funds, if any, received on behalf of each participating
446 student during the previous school year.

447 (B) Beginning on August 1 of the fourth year following the year in which this article
448 becomes effective and by August 1 each year thereafter, submit to the education
449 savings authority and the Department of Education a report of the on-time graduation
450 rate of participating students enrolled in such participating school. For purposes of this
451 subparagraph, the on-time graduate rate shall be calculated using the four-year adjusted
452 cohort graduation rate criteria which are used by the Department of Education for state
453 and federal accountability purposes;

454 (3) Comply with the antidiscrimination provisions of 42 U.S.C. Section 2000d;

455 (4) Comply with all health and safety laws or codes that apply to private schools;

456 (5) Comply with all provisions of Code Section 20-2-690 and any other state law
457 applicable to private schools; and

458 (6) Be located in Georgia.

459 (b) A participating school or service provider may apply to the education savings authority
460 to participate in the program and accept account funds for providing services covered as
461 qualified education expenses.

462 (c) The education savings authority shall, not later than 60 days after receiving a
463 participating school's or service provider's application for approval, notify such school or
464 service provider as to whether its application has been approved or denied. If the education
465 savings authority denies an application, the education savings authority shall provide a
466 reason and notify the school or service provider that it may appeal the decision to the
467 parent review committee created pursuant to Code Section 20-2B-25.

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

470 (e) The creation of the program shall not be construed to expand the regulatory authority
471 of the state, its officers, or any local school system to impose any additional regulation of
472 nonpublic schools beyond those reasonably necessary to enforce the requirements of this
473 article.

474 (f) The education savings authority shall not require a participating school or service
475 provider to alter such school's or provider's creed, practices, admission policies,
476 employment policies, or curricula in order to receive account funds under the program.

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

479 20-2B-24.

480 (a)(1) The total amount of state funds allotted to the program each fiscal year shall not
481 exceed 1 percent of the total appropriation for the Quality Basic Education Program in
482 the General Appropriations Act from the previous fiscal year.

483 (2) Subject to the provisions of paragraph (1) of this subsection, upon this article
484 becoming effective, the account funds granted to each participating student pursuant to
485 this article shall be \$6,500.00 for the first school year. Each subsequent school year, the
486 amount of account funds granted to each participating student shall reflect austerity
487 adjustments, if any, and shall be adjusted by an amount equal to the difference between:

488 (A) The product of multiplying the base amount provided for in Code Section 20-2-161
489 for the current school year by the percentage at which the Quality Basic Education
490 Formula is initially funded for such school year; and

491 (B) The base amount provided for in Code Section 20-2-161 for the previous school
492 year.

493 (3) In the event that the total amount of state funds allotted to the program in a fiscal year
494 is not sufficient to provide 100 percent of the amount of account funds to be granted to
495 each participating student as provided in paragraph (2) of this subsection, the amount of
496 account funds to be granted to each participating student shall be adjusted according to
497 rules and regulations adopted by the education savings authority as provided for in Code
498 Section 20-2B-26; provided, however, that such rules and regulations shall provide that
499 such adjustment of account funds for students whose family income does not exceed 400

500 percent of the federal poverty level as defined annually by the federal Office of
501 Management and Budget shall be no more than 50 percent of the adjustment of account
502 funds for students whose family income exceeds 400 percent of the federal poverty level
503 as defined annually by the federal Office of Management and Budget.

504 (b)(1) When a student enters the program, the education savings authority shall receive
505 all documentation required for the student's participation during a quarterly enrollment
506 period as provided for in paragraph (9) of subsection (a) of Code Section 20-2B-22 before
507 the first quarterly account payment is made for the student.

508 (2) Upon proper documentation received by the education savings authority, the
509 education savings authority shall make quarterly payments to the account of a
510 participating student, beginning with the first quarterly payment that corresponds with the
511 enrollment period in which the student's application was received. As nearly as practical,
512 such quarterly payments shall be equal. The state auditor shall cite as an audit exception
513 any failure by the education savings authority to meet any payment deadlines and shall
514 include such audit exceptions on the website established pursuant to Code Section
515 50-6-32.

516 (3) The education savings authority shall develop a system for parents to direct account
517 funds to participating schools and service providers by electronic funds transfer,
518 automated clearing-house transfer, or another system that the education savings authority
519 finds to be commercially viable, cost-effective, and easy for parents of participating
520 students to use. The education savings authority shall not adopt a system that relies
521 solely on reimbursing parents for out-of-pocket expenses, but may determine certain
522 qualified education expenses that must require reimbursement or preapproval for
523 purchase. The education savings authority is authorized to qualify private financial
524 management firms to manage the payment system. The education savings authority, at
525 its discretion, shall be authorized to create a system of individually funded accounts or
526 notional accounts funded through a single state omnibus account.

527 (4) If the participating school requires partial payment of tuition prior to the start of the
528 academic year to reserve space for students admitted to the school, such partial payment
529 may be paid by the education savings authority prior to the first quarterly payment of the
530 year in which the account is awarded, up to a maximum of \$1,000.00, and deducted from
531 subsequent account payments. If a student decides not to attend the participating school,
532 the partial reservation payment shall be returned to the education savings authority by
533 such school. Only one reservation payment per student may be made per school year.

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

536 (d) Funds deposited into an account shall be used only for qualified education expenses
537 for the participating student. Unused funds in an account, up to an amount not greater than
538 50 percent of the total funds deposited into the account for the current school year, shall
539 roll over to the following school year; provided, however, that, if an account has been
540 inactive for two consecutive school years or the participating student graduates from high
541 school, the funds in such account shall be returned to the state general fund and the account
542 shall be closed.

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

546 20-2B-25.

547 (a) To assist in the determination of whether certain expenses meet the requirements to be
548 considered a qualified education expense under this article, a parent review committee shall
549 be established.

550 (b)(1) The parent review committee shall comprise one person with relevant knowledge,
551 skills, and abilities and eight parents of participating students appointed by the executive
552 director of the education savings authority. Four of the parents shall reside in local

553 school systems with student enrollment greater than 10,000, and four of the parents shall
554 reside in local school systems with student enrollment less than 10,000.

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

558 (B) The education savings authority shall adopt rules for staggering the terms of
559 members as required in subparagraph (A) of this paragraph.

560 (3) The executive director of the education savings authority or his or her designee shall
561 serve as the chairperson of the parent review committee and shall only vote in the event
562 of a tie.

563 (c) The education savings authority may request the parent review committee to determine
564 whether an expenditure of account funds from an account qualifies as a qualified education
565 expense under this article.

566 (d) The education savings authority may request the parent review committee to review
567 appeals of participating schools or service provider application denials pursuant to
568 subsection (c) of Code Section 20-2B-23.

569 20-2B-26.

570 (a) The education savings authority shall adopt rules and regulations as necessary for the
571 administration of the program and shall include rules and regulations prioritizing the
572 selection of economically disadvantaged students over non-economically disadvantaged
573 students and prioritizing participating students and students who previously were
574 participating students over new applicants if either the number of participating students or
575 the number of applications for accounts exceeds the funds available for the program. The
576 education savings authority shall adopt rules and regulations regarding eligibility and
577 participation of participating schools and service providers, including, but not limited to,
578 timelines that will maximize student and private school participation, the calculation and

579 distribution of accounts to participating students, and the application and approval
580 procedures for participating students, participating schools, and service providers. The
581 education savings authority shall develop and utilize a compliance form for completion by
582 participating schools and service providers. The education savings authority shall be
583 authorized to require any pertinent information as it deems necessary from participating
584 schools and service providers for the purpose of implementing the program. Participating
585 schools and service providers shall be required to complete such forms and certify their
586 accuracy.

587 (b) No liability shall arise on the part of the education savings authority or the state or of
588 any local board of education based on the award or use of an account awarded pursuant to
589 this article.

590 (c) The education savings authority shall have the authority to:

591 (1) Examine and audit accounts and records of participating student accounts, or contract
592 for such examining and auditing of accounts, and shall, at a minimum, conduct random
593 audits on an annual basis;

594 (2) Take or require that such corrective, remedial, or preventive actions be taken as may
595 be necessary or appropriate to protect the interests of the education savings authority, the
596 state, the United States, schools, students, and the public at large; and

597 (3) Make any parent or participating student ineligible for the program in the event of
598 misuse of account funds.

599 (d) The education savings authority shall have the authority to refer cases of substantial
600 misuse of account funds to the Attorney General for investigation if evidence of fraudulent
601 use is obtained.

602 (e) The education savings authority may deduct an amount from accounts to cover the
603 costs of overseeing and administering the program, up to a maximum of 5 percent annually.

604 (f) The education savings authority may contract with a qualified organization to
605 administer the program or specific functions of the program.

606 (g) The education savings authority shall provide parents of participating students with an
607 explanation of the allowable uses of account funds, the responsibilities of parents, and the
608 duties of the education savings authority.

609 20-2B-27.

610 (a)(1) In order to allow parents and taxpayers to measure the achievements of the
611 program, the education savings authority shall annually approve no fewer than three
612 nationally norm-referenced tests that measure student academic progress in math and
613 language arts.

614 (2) Private schools enrolling participating students shall ensure that at least one of the
615 following is administered each school year to each participating student:

616 (A) A nationally norm-referenced test approved by the education savings authority, as
617 provided in paragraph (1) of this subsection; or

618 (B) A state-wide assessment administered pursuant to Code Section 20-2-281, if such
619 participating student is enrolled in a grade for which such state-wide assessment is
620 administered. Such state-wide assessment shall be made available to such participating
621 student by his or her resident school system.

622 (3) The education savings authority shall develop a process for the annual administration
623 of the nationally norm-referenced tests and the state-wide assessments provided for in
624 paragraph (2) of this subsection and for the collection of results for participating students
625 not enrolled full time in a private school.

626 (b) The results of such norm-referenced tests and state-wide assessments shall be provided
627 to and collected by the education savings authority or an organization chosen by the
628 education savings authority on an annual basis.

629 (c) Student information shall be reported and collected in a manner that allows the state
630 to aggregate data by grade level, gender, race, socioeconomic status, and English language
631 proficiency.

632 (d) The education savings authority or an organization chosen by the education savings
633 authority shall collect information regarding the high school graduation rate of all
634 participating students.

635 20-2B-28.

636 (a) The education savings authority shall provide the General Assembly not later than
637 December 1 of each year with a report regarding the program for the previous fiscal year.
638 Such report shall also be posted on the education savings authority's public website.

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

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

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

644 (3) The percentage of funds used for each type of qualified education expense included
645 in paragraph (11) of Code Section 20-2B-21; and

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

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

652 (d) The report shall protect the identity of participating students through whatever means
653 the education savings authority deems appropriate, including, but not limited to, by keeping
654 anonymous all disaggregated data and complying with state and federal guidelines for
655 student privacy. The names of participating schools and the number of participating
656 students at each such school shall be included in the report.

657 (e) The Department of Audits and Accounts shall audit the program annually. Audit
658 reports, including, but not limited to, any findings and recommendations by the Department
659 of Audits and Accounts, shall be included in the first annual report submitted by the
660 education savings authority pursuant to this Code section following completion of each
661 audit of the program by the Department of Audits and Accounts. Nothing in this
662 subsection shall be construed to limit the authority of the Department of Audits and
663 Accounts to conduct an audit at any time.

664 20-2B-29.

665 (a) In the annual report required by paragraph (2) of subsection (a) of Code Section
666 20-14-27, the Office of Student Achievement shall include a separate list of public schools
667 that performed in the lowest 25 percent of all public schools based on the cumulative
668 individual school ratings, as provided for in subsection (d) of Code Section 20-14-33, for
669 the two most recent school years for which the Office of Student Achievement issued such
670 ratings; provided, however, that in the event of a tied rating, the public school with the
671 lower performance in student achievement shall be prioritized; provided, further, however,
672 that such list shall not include any school with more than 50 percent of its enrolled students
673 assigned to an education program provided for in Code Section 20-2-154.1.

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

676 20-2B-30.

677 The provisions of this article shall not apply or be construed to apply to any student in a
678 home study program provided for in Code Section 20-2-690 unless such student is a
679 participating student as such term is defined in Code Section 20-2B-21.

680 20-2B-31.

681 (a) Nothing in this article shall be construed to alter or otherwise impact how the full-time
682 equivalent (FTE) program count for each local school system is obtained as provided in
683 Code Section 20-2-160 or how the total funds needed for the Quality Basic Education
684 Program for each local school system are calculated as provided in Code Section 20-2-161.
685 Until such time as a student is withdrawn from enrollment in a local school system in
686 conjunction with qualifying for and accepting a promise scholarship account under this
687 article, such student shall be included in the FTE program count for the local school system
688 in which he or she is enrolled on all dates specified for such counts as provided in Code
689 Section 20-2-160 and for such purposes as provided in Code Section 20-2-161.

690 (b) Nothing in this article shall be construed to alter or otherwise impact the right of
691 parents to enroll their children in a public school that is located within the school system
692 in which the student resides other than the one to which the student has been assigned by
693 the local board of education if such school has classroom space available after its assigned
694 students have been enrolled, as provided in Code Section 20-2-2131."

695 **SECTION 2-2.**

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

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

703

PART III

704

SECTION 3-1.

705 Said title is further amended in Part 4 of Article 6 of Chapter 2, relating to financing under
706 the "Quality Basic Education Act," by revising subsection (b) of Code Section 20-2-161,
707 relating to the Quality Basic Education Formula, as follows:

708 "(b) As the cost of instructional programs varies depending upon the teacher-student ratios
709 and specific services typically required to address the special needs of students enrolled,
710 state authorized instructional programs shall have the following program weights and
711 teacher-student ratios:

712	(1) Kindergarten program	1.6724
713		<u>1.6901</u>
714		weight and
715		1 to 15
716		ratio
717	(2) Kindergarten early intervention program	2.0678
718		<u>2.0951</u>
719		weight and
720		1 to 11
721		ratio
722	(3) Primary grades program (1-3)	1.2948
723		<u>1.3029</u>
724		weight and
725		1 to 17
726		ratio

727	(4) Primary grades early intervention program (1-3)	1.8180
728		<u>1.8388</u>
729		weight and
730		1 to 11
731		ratio
732	(5) Upper elementary grades program (4-5)	1.0390
733		<u>1.0417</u>
734		weight and
735		1 to 23
736		ratio
737	(6) Upper elementary grades early intervention program (4-5)	1.8125
738		<u>1.8340</u>
739		weight and
740		1 to 11
741		ratio
742	(7) Middle school program (6-8)	1.1380
743		<u>1.1439</u>
744		weight and
745		1 to 20
746		ratio
747	(8) High school general education program (9-12)	1.0000
748		weight and
749		1 to 23
750		ratio

751	(9) Career, technical, and agricultural education	
752	laboratory program (9-12)	1.1830
753		<u>1.1762</u>
754		weight and
755		1 to 20
756		ratio
757	(10) Program for persons with disabilities:	
758	Category I	2.4118
759		<u>2.4763</u>
760		weight and
761		1 to 8
762		ratio
763	(11) Program for persons with disabilities:	
764	Category II	2.8402
765		<u>2.9213</u>
766		weight and
767		1 to 6.5
768		ratio
769	(12) Program for persons with disabilities:	
770	Category III	3.6188
771		<u>3.7151</u>
772		weight and
773		1 to 5
774		ratio

775	(13) Program for persons with disabilities:	
776	Category IV	5.8710
777		<u>6.0106</u>
778		weight and
779		1 to 3
780		ratio
781	(14) Program for persons with disabilities:	
782	Category V	2.4737
783		<u>2.5307</u>
784		weight and
785		1 to 8
786		ratio
787	(15) Program for intellectually gifted students:	
788	Category VI	1.6794
789		<u>1.7340</u>
790		weight and
791		1 to 12
792		ratio
793	(16) Remedial education program	1.3576
794		<u>1.3698</u>
795		weight and
796		1 to 15
797		ratio

798 (17) Alternative education program ~~1.4881~~
799 1.5026
800 weight and
801 1 to 15
802 ratio
803 (18) English for speakers of other languages (ESOL) program ~~2.5892~~
804 2.6313
805 weight and
806 1 to 7
807 ratio"

SECTION 3-2.

809 Said title is further amended in Part 10 of Article 6, relating to capital outlay funds under the
810 "Quality Basic Education Act," by revising paragraph (5) of subsection (b) and subsection
811 (m) of Code Section 20-2-260, relating to capital outlay funds generally, as follows:

812 "(5) 'Educational facilities' shall include buildings, fixtures, and equipment necessary for
813 the effective and efficient operation of the program of public education required by this
814 article and of any voluntary pre-kindergarten programs provided and operated by the
815 local school system as part of Georgia's Pre-K Program, which, without limiting the
816 generality of the foregoing, shall include: classrooms; libraries; rooms and space for
817 physical education; space for fine arts; restrooms; specialized laboratories; cafeterias;
818 media centers; building equipment; building fixtures; furnishings; career, technical, and
819 agricultural education labs and facilities to support industry credentialing; related exterior
820 facilities; landscaping and paving; and similar items which the State Board of Education
821 may determine necessary. The following facilities are specifically excluded: swimming
822 pools, tracks, stadiums, and other facilities or portions of facilities used primarily for

823 athletic competition and the central and area administrative offices of local units of
824 administration."

825 "(m) The State Board of Education shall implement a computerized student projection
826 program for each school system in Georgia as a component of the state-wide
827 comprehensive educational information system. The program shall be used in this
828 subsection to forecast facility needs in each system by projecting full-time equivalent
829 student counts for each grade level and shall be written in the educational facilities survey.
830 The projection program methodology at least must correlate live-birth data to full-time
831 equivalent student counts and project full-time equivalent student counts for each of the
832 grades, including kindergarten, for each of the next five years using cohort survival and
833 may include projected student counts for voluntary pre-kindergarten programs provided
834 and operated or anticipated to be provided and operated by the school system as part of
835 Georgia's Pre-K Program."

836

PART IV

837

SECTION 4-1.

838 Said title is further amended in Part 13 of Article 6 of Chapter 2, relating to organizations of
839 schools and systems, by revising subsection (a) of Code Section 20-2-293, relating to student
840 attending school in system other than system of student's residence, as follows:

841 "(a)(1) The provisions of this article and other statutes to the contrary notwithstanding,
842 the State Board of Education ~~is authorized to~~ shall provide a procedure whereby a student
843 ~~shall, for such compelling reasons and circumstances as may be specified by the state~~
844 ~~board,~~ be permitted to attend and to be included as an enrolled student in the public
845 schools of a local unit of administration other than the local unit of administration
846 wherein the student resides for the purpose of allotting state funds under this article,
847 notwithstanding absence of an agreement between the two local units and a refusal by the

848 board of education of the local unit wherein the student resides to approve voluntarily
 849 such transfer of the student to the public schools of the other local unit; provided,
 850 however, that the board of education of the local unit is willing to receive and to permit
 851 such student to enroll in and to attend the public schools of such local unit. The state
 852 board shall adopt such rules, regulations, and policies as may be necessary for
 853 implementation of this Code section. Grant or refusal of permission for students to attend
 854 such schools, for the purpose of permitting state funds to follow such students, shall be
 855 ~~entirely discretionary with the state board and shall, in the absence of a clear abuse of~~
 856 ~~discretion by the state board, be final and conclusive~~ subject only to approval of the
 857 enrolling student and the local unit of administration in which the student seeks to enroll.
 858 Local units of administration may contract with each other for the care, education, and
 859 transportation of students and for such other activities as they may be authorized by law
 860 to perform.

861 (2) Beginning July 1, 2026, and continuing thereafter, if a local unit of administration
 862 enrolls a student pursuant to paragraph (1) of this subsection and requires the student to
 863 pay tuition, the amount of tuition such local unit of administration may charge to such
 864 student shall not exceed total revenues less federal revenues less state revenues per
 865 full-time equivalent student for the local unit of administration that enrolls such student."

866 PART V

867 SECTION 5-1.

868 Said title is further amended in Article 1 of Chapter 2, relating to the State Board of
 869 Education, by revising paragraph (1) of subsection (g.1) of Code Section 20-2-14.1, relating
 870 to the Georgia Foundation for Public Education, authorization to accept transfers of certain
 871 property held in trust by State Board of Education, authorization for nonprofit corporation,

872 authorization to receive donations from taxpayers, requirements, and annual report, as
873 follows:

874 "(g.1)(1) Effective January 1, 2022, a nonprofit corporation incorporated by the
875 foundation pursuant to this Code section shall be authorized to receive donations from
876 taxpayers pursuant to Code Section 48-7-29.21 for the purpose of awarding grants to
877 public schools for:

878 (A) The ~~the~~ implementation of academic and organizational innovations to improve
879 student achievement, ~~with priority given to~~ ; provided, however, that schools that have
880 performed in the lowest ~~5~~ 25 percent of schools in this state identified in accordance
881 with the state-wide accountability system established in the state plan pursuant to the
882 federal Every Student Succeeds Act shall be prioritized to ensure that the total amount
883 of grants awarded to such schools shall never be less than 200 percent of the total
884 amount of grants awarded to all other schools;; and

885 (B) The ~~for the~~ dissemination of information regarding successful innovations to other
886 public schools in this state.

887 (2) Funds received by the nonprofit corporation for such purpose may be awarded
888 through a competitive grant process administered by the foundation. The criteria for
889 awarding such grants shall include the potential to which the innovation is likely to result
890 in the proposed improvement, the potential for widespread adoption of such innovation
891 by other public schools in the state, the quality of the proposed project design, the
892 reasonableness of the costs involved in conducting the project, and such other criteria
893 which the foundation may deem appropriate and necessary.

894 (3) The General Assembly may appropriate funds for purposes of this nonprofit
895 corporation beginning in Fiscal Year 2022."

896

SECTION 5-2.

897 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
898 amended in Article 2 of Chapter 7, relating to imposition, rate, computations, exemptions,
899 and credits regarding income taxes, by revising subsections (b), (d), (f), and (j) of Code
900 Section 48-7-29.21, relating to tax credits for qualified education donations for the purpose
901 of awarding grants to public schools, as follows:

902 "(b) An individual taxpayer shall be allowed a credit against the tax imposed by this
903 chapter for qualified education donations as follows:

904 (1) In the case of a single individual or a head of household, the actual amount donated
905 or ~~\$1,000.00~~ \$2,500.00 per tax year, whichever is less;

906 (2) In the case of a married couple filing:

907 (A) A joint return, the actual amount donated or ~~\$2,500.00~~ \$5,000.00 per tax year,
908 whichever is less; or

909 (B) Separate returns, the actual amount donated per individual per tax year or
910 \$2,500.00 per individual per tax year, whichever is less; or

911 (3) Anything to the contrary contained in paragraph (1) or (2) of this subsection
912 notwithstanding, in the case of an individual who is a member of a limited liability
913 company duly formed under state law, a shareholder of a Subchapter 'S' corporation, or
914 a partner in a partnership, the amount donated or ~~\$10,000.00~~ \$25,000.00 per tax year,
915 whichever is less; provided, however, that tax credits pursuant to this paragraph shall
916 only be allowed for the portion of the income on which such tax was actually paid by
917 such member of the limited liability company, shareholder of a Subchapter 'S'
918 corporation, or partner in a partnership."

919 "(d)(1) The tax credit shall not be allowed if the taxpayer designates the taxpayer's
920 qualified education donation for the direct benefit of any particular school or program
921 which the taxpayer's child or children attend.

922 ~~(2)~~ In soliciting donations, the recipient shall not represent that, in exchange for donating
923 to such recipient, the school a taxpayer's child or children attend shall receive a grant
924 pursuant to subsection (g.1) of Code Section 20-2-14.1 or paragraph (2) of subsection
925 (b.1) of Code Section 20-14-26.1."

926 "(f)(1) In no event shall the aggregate amount of tax credits allowed under this Code
927 section exceed:

928 (A) \$5 million per for the tax year ending on December 31, 2023; or

929 (B) \$15 million for the tax year 2024, and for all subsequent tax years.

930 (2) The commissioner shall allow the tax credits on a first come, first served basis.

931 (3) For the purposes of paragraph (1) of this subsection, the recipient shall notify a
932 potential donor of the requirements of this Code section. Before making a donation to
933 the recipient, the taxpayer shall electronically notify the department, in a manner
934 specified by the department, of the total amount of donations that the taxpayer intends to
935 make to the recipient. The commissioner shall preapprove or deny the requested amount
936 within 30 days after receiving the request from the taxpayer and shall provide notice to
937 the taxpayer and the recipient of such preapproval or denial which shall not require any
938 signed release or notarized approval by the taxpayer. In order to receive a tax credit
939 under this Code section, the taxpayer shall make the donation to the recipient within 60
940 days after receiving notice from the department that the requested amount was
941 preapproved. If the taxpayer does not comply with this paragraph, the commissioner
942 shall not include this preapproved donation amount when calculating the limit prescribed
943 in paragraph (1) of this subsection. The department shall establish a web based donation
944 approval process to implement this subsection.

945 (4) Preapproval of donations by the commissioner shall be based solely on the
946 availability of tax credits subject to the aggregate total limit established under paragraph
947 (1) of this subsection. The department shall maintain an ongoing, current list on its
948 website of the amount of tax credits available under this Code section."

949 "(j) This Code section shall stand repealed and reserved on December 31, ~~2026~~ 2029."

950

PART VI

951

SECTION 6-1.

952 (a) Except as provided in subsections (b) and (c) of this section, this Act shall become
953 effective upon its approval by the Governor or upon its becoming law without such approval.

954 (b)(1) Part II of this Act shall become effective only if the "Quality Basic Education Act,"
955 as provided for in Article 6 of Chapter 2 of Title 20, is fully funded in an appropriations
956 Act making specific reference to the full funding of the "Quality Basic Education Act" and
957 shall become effective when funds so appropriated become available for expenditure; and

958 (2) Subject to paragraph (1) of this subsection, Part II of this Act shall be applicable to
959 school years beginning on July 1, 2025, and continuing thereafter.

960 (3) Part II of this Act shall stand repealed in its entirety on June 30, 2035, or ten years after
961 Part II becomes effective, whichever is later; provided, however, that any student who is
962 qualified under the program prior to such repeal of Part II shall continue to be eligible
963 under the program until the student returns to a public school, graduates from high school,
964 or reaches the age of 20 years, or for any special education student, reaches the age of 21
965 years.

966 (c) Part V of this Act shall become effective upon its approval by the Governor or upon its
967 becoming law without such approval and shall apply to all taxable years beginning on or
968 after January 1, 2024.

969

SECTION 6-2.

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