

160-5-4-.04 SPECIAL APPROPRIATION FOR PUBLIC SCHOOL CAPITAL OUTLAY.

(1) DEFINITIONS.

(a) Capital Outlay – expenditures which result in the acquisition of fixed assets, improvements to sites, construction of buildings, construction of additions to buildings, retrofitting of existing buildings for energy conservation, renovation and modification of existing buildings, initial and additional equipment, and furnishings for K-12 educational facilities. For the purposes of the special appropriation, expenditures for the acquisition of property, swimming pools, tracks, stadiums, and other facilities or portions of facilities used primarily for athletic competition, non-permanent instructional units, and the central and area administrative offices of local units of administration shall be excluded.

(b) Facilities Inventory –represents all existing instructional units meeting minimum state requirements used in the delivery of the K-12 instructional program planned by the school system plus any instructional unit(s) planned (or currently under construction) for which local, state, or federal funding is available.

(c) House Bill 1187 Needs Analysis documents - standardized document developed and completed for each school system in order to determine the maximum change in the number of instructional units *earned* as a direct result of the reduction in teacher/pupil ratios. Each needs analysis includes: the system's FY 2004 average projected FTE, the instructional units *earned* for the average FTE reported at each existing school in FY 2000, the instructional units *earned* for the FY 2004 projected student population at each school, the instructional units currently available or funded at each school, and the instructional units *needed* at each school. The calculated change in the number of instructional units *earned* before and after the reduction in teacher/pupil ratios adjusted for any projected increase or decrease in the student population is shown in each system's *House Bill 1187 Needs Analysis* documents. This calculated change in the number of earned instructional units establishes the *maximum* number of instructional units that *may* qualify for funding under the special appropriation for each school system. To qualify for funding under the special appropriation for capital outlay needs to reduce teacher/pupil ratios, instructional units must be shown as a negative number in the Instructional Units (I.U.s) Need Status column on the proposed organization page in the system's *House Bill 1187 Needs Analysis* documents.

(d) Instructional Units Earned – refers to the number of instructional units that should be available to provide adequate school facilities to deliver the approved K-12 instructional programs planned at a school based on the grade configuration and the student population at the school. The number of instructional units earned at each school shall be derived from the applicable instructional unit allocation chart

provided by the Department. The total number of instruction units earned for the purpose of reducing teacher/pupil ratios in each school system is based on a mathematical calculation that measures the difference between the units earned before and after the reduction in teacher/pupil ratios adjusted for changes in the student population and does not necessarily determine the number of instructional units that may be eligible for state funds derived from the special appropriation.

(e) Instructional Units Needed – is the calculated net number of K-12 instructional units in a school that need to be constructed to accommodate the reduced teacher/pupil ratios as defined in House Bill 1187. The number of instructional units needed at each school is determined by subtracting the number of units earned from the number of instructional units currently available and/or the number of instructional units for which funding is currently available.

(f) Special Appropriation for Public School Capital Outlay – Special appropriation for public school capital outlay refers to any appropriation of state funds authorized for public school capital outlay activities in addition to the appropriations approved for capital outlay projects under the provisions of O.C.G.A. § 20-2-260 and O.C.G.A. § 20-2-262. The special appropriation authorized by the General Assembly for FY 2001 consists of two separate parts: (i) funds authorized to provide the classrooms needed to implement the reduction in teacher/pupil ratios, and (ii) funds authorized to meet other identified capital outlay needs eligible for state funding.

(2) REQUIREMENTS.

(a) The following requirements shall be met to qualify for funding derived from the special appropriation of \$368,000,000 authorized by the Georgia General Assembly in the 2001 session plus \$84,670,000 authorized in the 2002 session to assist local boards of education in funding the construction of instructional units needed to implement the required reduction in teacher/pupil ratios.

1. Funds from this special appropriation shall be allocated to school systems based on the instructional units determined to be eligible and the projects prioritized for funding by the local board of education in the system's *House Bill 1187 Needs Analysis* documents. Each local system will be apportioned their share of the special appropriation within each funding cycle based on the total statewide eligible need derived from the summary of the House Bill 1187 Needs Analysis documents.

2. Each local board of education shall establish the priority order for funding the instructional units determined to be needed at each school and eligible for funding from this fund source on the tabulation of priorities in the system's *House Bill 1187 Needs Analysis* documents. Eligible Need is related to each system's readiness to construct. Systems will be reimbursed in the order in which they apply and qualify for reimbursement. Any classrooms identified in the HB 1187 Needs Analysis documents that are built to reduce class size shall be reimbursed based on the cost schedule that was approved at the time of the 2001 legislative session (January to

March 2001). Unfunded Instructional Units Needed will carry forward as credits in subsequent funding cycles for such needs.

3. The Department of Education will certify the House Bill 1187 Needs Analysis for each system for this fund source to the Georgia State Financing and Investment Commission by no later than June 30, 2001.

4. Local boards of education, with assistance from the Facilities Services staff, shall develop an application (or applications) in the format specified by the Department to request funding for the instructional units determined to be needed and eligible for funding from this special appropriation.

5. No applications shall be submitted to construct less than two instructional units at any school.

6. All instructional units included in an application and constructed with funds from this special appropriation shall meet the common minimum facility requirements defined in the State Board of Education rules and in the guidelines named in Rule 160-5-4-.16 Design and Construction Standards and Construction Costs.

7. The total number of instructional units for all projects included in the system's approved application(s) may be less than, but shall not exceed, the maximum number of units earned to reduce teacher/pupil ratios as shown in the system's *House Bill 1187 Needs Analysis* documents.

8. The completed and signed *Improvement Needs Certification* included in the system's *House Bill 1187 Needs Analysis* documents must be on file with the Department before a school system shall be eligible to submit an application for funds derived from this special appropriation.

9. Funds from this special appropriation may be combined with funds from other state or local fund sources in a single application. However, any application utilizing multiple fund sources shall be developed to comply with all the laws, rules, and guidelines applicable to each of the fund sources.

10. While no local matching funds shall be required for the funds derived from this special appropriation, the local board of education shall agree to provide any additional local funds which may be needed to ensure that the project can be completed as described in the approved application.

11. Local boards of education shall adopt the completed application(s) and return three copies of the approved application with original signatures affixed on all copies to:

Georgia Department of Education
Facilities Services Unit
1670 Twin Towers, East
Atlanta, Georgia 30334

12. Funds from this special appropriation shall be used to reimburse local boards of education for eligible expenditures incurred to complete the activities described in the approved application. Projects must be completed in accordance with any applicable laws, rules, and guidelines for capital outlay projects to qualify for reimbursement. Except as provided otherwise in these special rules and guidelines, the general rules and guidelines for capital outlay will apply to this program. Payment shall be made to the local board of education as soon as a request for reimbursement (including the appropriate supporting documentation) has been received and approved by the Department.

(b) Local boards of education shall comply with the following requirements to qualify for funds derived from the special appropriation of \$100,000,000 authorized by the Georgia General Assembly in the 2001 session plus \$870,000 authorized in the 2002 session to assist local boards of education in meeting other identified capital outlay needs eligible for state funding.

1. Local boards of education, with assistance from the Department, shall develop an application (or applications) on forms provided by the Department to request funding for capital outlay activities determined to be needed and eligible for funding from this special appropriation. Each system's portion of the \$100 million will be based on each system's ratio of need, as identified in the current facilities plan, compared to the statewide need less any advanced funding repaid. Funding from the \$100 million portion of the special appropriation shall be reimbursed based on the cost schedule that was approved at the time of the 2001 legislative session (January to March 2001).

2. The Department of Education will certify the allocation of funds to school systems from this fund source no later than June 30, 2001.

3. In developing applications for funding, eligible capital outlay needs identified in the school system's *House Bill 1187 Needs Analysis* documents shall have the highest priority for funding. All other funding shall be for capital outlay needs identified in the school system's updated local facilities plan.

4. No applications shall be submitted to construct less than two instructional units at any school.

5. Funds from this special appropriation may be combined with funds from other state or local fund sources in a single application. However, any application that includes multiple fund sources shall be developed to comply with all the laws, rules, and guidelines applicable to each of the fund sources.

6. While no local matching funds shall be required for the funds derived from this special appropriation, the local board of education shall agree to provide any additional local funds which may be needed to ensure that the project can be completed as described in the approved application.

7. Local boards of education shall adopt the completed application(s) and return three copies of the approved application with original signatures affixed on all copies to:

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8. Funds from this special appropriation shall be used to reimburse local boards of education for eligible expenditures incurred to complete the activities described in the approved application. Projects must be completed in accordance with any applicable laws, rules, and guidelines for capital outlay projects to qualify for reimbursement. Except as provided otherwise in these special rules and guidelines, the general rules and guidelines for capital outlay will apply to this program. Payment shall be made to the local board of education as soon as a request for reimbursement (including the appropriate supporting documentation) has been received and approved by the Department.

(c) A local board of education may request a hearing to appeal a decision regarding the allocation of funds from the special appropriation. To request an appeal hearing, the local board of education shall submit a formal request to the state school superintendent within 30 days of the decision. This request shall include:

1. A resolution adopted by the local board of education requesting an appeal hearing.
2. The statement of the question in dispute.
3. A concise statement of the reasons why the decision is being appealed.
4. Any other supporting documentation to be considered by the appeals committee.

(d) After a determination by the state school superintendent or designee that the request for appeal is in the proper form for hearing, the appeal shall be placed on the calendar for review by a five-member appeals committee at the earliest practical time.

(e) Oral arguments shall not be heard unless requested by the local board of education or requested by a member of the appeals committee. Oral arguments must be requested within ten days of the date the appeal is docketed.

(f) The appeals committee shall include two members from the State Board of Education, one of which shall be appointed as chairperson of the committee, and three members appointed from Georgia State Financing and Investment Commission. The Director of the Office of Planning and Budget or his designee shall ex officio be a non-voting member of the appeals committee. The appeals committee shall not consider any question not specifically raised in the written

request for appeal or the statement of contentions. A decision of the appeals committee may be appealed jointly to the Board provided by the Department. The total number of instruction units earned for the purpose of reducing of Education and the Georgia State Financing and Investment Commission by submitting a formal request to the Superintendent within 30 days of the decision. The Director of the Office of Planning and Budget or his designee shall be an ex officio, non-voting member of each board for purposes of the appeal. The procedure set out in (c), (d) and (e) above will be followed for each board. If the Commission and the Board agree upon a decision, their joint decision will prevail. If the Commission and the Board disagree upon a position, the decision will be affirmed.

Authority: O.C.G.A. §20-2-260; 20-2-262.

Adopted: November 18, 2003

Effective: December 8, 2003