

Senate Bill 156

By: Senators Tippins of the 37th, Wilkinson of the 50th, Millar of the 40th, Shafer of the 48th, Stone of the 23rd and others

AS PASSED

A BILL TO BE ENTITLED

AN ACT

1 To amend Article 31A of Chapter 2 of Title 20 of the Official Code of Georgia Annotated,
2 relating to state charter schools, so as to authorize the State Charter Schools Commission to
3 establish a nonprofit foundation; to provide for related matters; to repeal conflicting laws;
4 and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Article 31A of Chapter 2 of Title 20 of the Official Code of Georgia Annotated, relating to
8 state charter schools, is amended by adding a new Code section to read as follows:

9 "20-2-2092.

10 (a) The commission shall have the power and authority to incorporate a nonprofit
11 corporation that could qualify as a public foundation under Section 501(c)(3) of the Internal
12 Revenue Code to aid the commission in carrying out any of its powers and accomplishing
13 any of its purposes. A nonprofit corporation created pursuant to this subsection shall be
14 created pursuant to Chapter 3 of Title 14, the 'Georgia Nonprofit Corporation Code,' and
15 the Secretary of State shall be authorized to accept such filing.

16 (b) A nonprofit corporation created pursuant to this Code section shall be subject to the
17 following provisions:

18 (1) In accordance with the Constitution of Georgia, no governmental functions or
19 regulatory powers shall be conducted by such nonprofit corporation;

20 (2) Upon dissolution of such nonprofit corporation incorporated by the commission, any
21 assets shall revert to the commission or to any successor to the commission or, failing
22 such succession, to the State of Georgia;

23 (3) As used in this paragraph, the term 'direct employee costs' means salary, benefits, and
24 travel expenses. To avoid the appearance of undue influence on regulatory functions by
25 donors, no donations to such nonprofit corporation from private sources shall be used for
26 direct employee costs of the commission;

27 (4) Such nonprofit corporation shall be subject to all laws relating to open meetings and
28 the inspection of public records;

29 (5) The commission shall not be liable for the action or omission to act of such nonprofit
30 corporation; provided, however, that such nonprofit corporation shall obtain and maintain
31 errors and omissions liability coverage insurance in an amount not less than \$1 million;
32 and

33 (6) No debts, bonds, notes, or other obligations incurred by such nonprofit corporation
34 shall constitute an indebtedness or obligation of the State of Georgia nor shall any act of
35 such nonprofit corporation constitute or result in the creation of an indebtedness of the
36 state; provided, however, that such nonprofit corporation shall not have the power to
37 incur long-term or short-term indebtedness in connection with its authority under this
38 Code section but may incur short-term credit obligations. No holder or holders of such
39 bonds, notes, or other obligations shall ever have the right to compel any exercise of the
40 taxing power of the state nor to enforce the payment thereof against the state.

41 (c) Pursuant to this Code section, the commission may establish a nonprofit corporation
42 to be designated as the State Charter Schools Foundation for the sole purpose of actively
43 seeking supplemental revenue and in-kind goods, services, and property to promote state
44 charter schools and any other purpose of the commission. Funds received by the
45 foundation may be awarded through a competitive grant process administered by the
46 commission.

47 (d) A nonprofit corporation created pursuant to this Code section shall make public and
48 provide an annual report showing the identity of all donors and the amount each person or
49 entity donated as well as all expenditures or other disposal of money or property donated.
50 Such report shall be provided to the Governor, the Lieutenant Governor, the Speaker of the
51 House of Representatives, and the chairpersons of the House Committee on Education and
52 the Senate Education and Youth Committee. Such nonprofit corporation shall also provide
53 such persons with a copy of all corporate filings with the federal Internal Revenue Service."

54 **SECTION 2.**

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