

E AND R AMENDMENTS TO LB 377

Introduced by Wishart, 27, Chairman Enrollment and Review

1 1. Strike original sections 1, 14, 62, and 82 and insert the
2 following new sections:

3 Section 1. Section 13-508, Revised Statutes Supplement, 2017, is
4 amended to read:

5 13-508 (1) After publication and hearing thereon and within the time
6 prescribed by law, each governing body, ~~except as provided in subsection~~
7 ~~(3) of this section,~~ shall file with and certify to the levying board or
8 boards on or before September 20 of each year or September 20 of the
9 final year of a biennial period and file with the auditor a copy of the
10 adopted budget statement which complies with sections 13-518 to 13-522 or
11 79-1023 to 79-1030, together with the amount of the tax required to fund
12 the adopted budget, setting out separately (a) the amount to be levied
13 for the payment of principal or interest on bonds issued by the governing
14 body and (b) the amount to be levied for all other purposes. Proof of
15 publication shall be attached to the statements. For fiscal years prior
16 to fiscal year 2017-18, learning communities shall also file a copy of
17 such adopted budget statement with member school districts on or before
18 September 1 of each year. If the prime rate published by the Federal
19 Reserve Board is ten percent or more at the time of the filing and
20 certification required under this subsection, the governing body, in
21 certifying the amount required, may make allowance for delinquent taxes
22 not exceeding five percent of the amount required plus the actual
23 percentage of delinquent taxes for the preceding tax year or biennial
24 period and for the amount of estimated tax loss from any pending or
25 anticipated litigation which involves taxation and in which tax
26 collections have been or can be withheld or escrowed by court order. For
27 purposes of this section, anticipated litigation shall be limited to the

1 anticipation of an action being filed by a taxpayer who or which filed a
2 similar action for the preceding year or biennial period which is still
3 pending. Except for such allowances, a governing body shall not certify
4 an amount of tax more than one percent greater or lesser than the amount
5 determined under section 13-505.

6 (2) Each governing body shall use the certified taxable values as
7 provided by the county assessor pursuant to section 13-509 for the
8 current year in setting or certifying the levy. Each governing body may
9 designate one of its members to perform any duty or responsibility
10 required of such body by this section.

11 ~~(3)(a) A Class I school district shall do the filing and~~
12 ~~certification required by subsection (1) of this section on or before~~
13 ~~August 1 of each year.~~

14 ~~(b) For fiscal years prior to fiscal year 2017-18, learning~~
15 ~~communities shall do such filing and certification on or before September~~
16 ~~1 of each year.~~

17 Sec. 14. Section 79-407, Revised Statutes Supplement, 2017, is
18 amended to read:

19 79-407 The territory within the corporate limits of each
20 incorporated municipality in the State of Nebraska that is not in part
21 within the boundaries of a learning community, together with such
22 additional territory and additions to such municipality as may be added
23 thereto, as declared by ordinances to be boundaries of such municipality,
24 having a population of ~~more than one thousand and~~ less than one hundred
25 fifty thousand inhabitants as determined by the most recent federal
26 decennial census or the most recent revised certified count by the United
27 States Bureau of the Census, including such adjacent territory as now is
28 or hereafter may be attached for school purposes, shall constitute a
29 Class III school district, except that nothing in this section shall be
30 construed to change the boundaries of any school district that is a
31 member of a learning community. The school district shall be a body

1 corporate and possess all the usual powers of a corporation for public
2 purposes and may sue and be sued, purchase, hold, and sell such personal
3 and real property, and control such obligations as are authorized by law.

4 Sec. 62. Section 79-1003, Revised Statutes Supplement, 2017, is
5 amended to read:

6 79-1003 For purposes of the Tax Equity and Educational Opportunities
7 Support Act:

8 (1) Adjusted general fund operating expenditures means (a) for
9 school fiscal years 2013-14 through 2015-16, the difference of the
10 general fund operating expenditures as calculated pursuant to subdivision
11 (23) of this section increased by the cost growth factor calculated
12 pursuant to section 79-1007.10, minus the transportation allowance,
13 special receipts allowance, poverty allowance, limited English
14 proficiency allowance, distance education and telecommunications
15 allowance, elementary site allowance, summer school allowance,
16 instructional time allowance, teacher education allowance, and focus
17 school and program allowance, (b) for school fiscal years 2016-17 through
18 2018-19, the difference of the general fund operating expenditures as
19 calculated pursuant to subdivision (23) of this section increased by the
20 cost growth factor calculated pursuant to section 79-1007.10, minus the
21 transportation allowance, special receipts allowance, poverty allowance,
22 limited English proficiency allowance, distance education and
23 telecommunications allowance, elementary site allowance, summer school
24 allowance, and focus school and program allowance, and (c) for school
25 fiscal year 2019-20 and each school fiscal year thereafter, the
26 difference of the general fund operating expenditures as calculated
27 pursuant to subdivision (23) of this section increased by the cost growth
28 factor calculated pursuant to section 79-1007.10, minus the
29 transportation allowance, special receipts allowance, poverty allowance,
30 limited English proficiency allowance, distance education and
31 telecommunications allowance, elementary site allowance, summer school

1 allowance, community achievement plan allowance, and focus school and
2 program allowance;

3 (2) Adjusted valuation means the assessed valuation of taxable
4 property of each local system in the state, adjusted pursuant to the
5 adjustment factors described in section 79-1016. Adjusted valuation means
6 the adjusted valuation for the property tax year ending during the school
7 fiscal year immediately preceding the school fiscal year in which the aid
8 based upon that value is to be paid. For purposes of determining the
9 local effort rate yield pursuant to section 79-1015.01, adjusted
10 valuation does not include the value of any property which a court, by a
11 final judgment from which no appeal is taken, has declared to be
12 nontaxable or exempt from taxation;

13 (3) Allocated income tax funds means the amount of assistance paid
14 to a local system pursuant to section 79-1005.01 as adjusted, for school
15 fiscal years prior to school fiscal year 2017-18, by the minimum levy
16 adjustment pursuant to section 79-1008.02;

17 (4) Average daily membership means the average daily membership for
18 grades kindergarten through twelve attributable to the local system, as
19 provided in each district's annual statistical summary, and includes the
20 proportionate share of students enrolled in a public school instructional
21 program on less than a full-time basis;

22 (5) Base fiscal year means the first school fiscal year following
23 the school fiscal year in which the reorganization or unification
24 occurred;

25 (6) Board means the school board of each school district;

26 (7) Categorical funds means funds limited to a specific purpose by
27 federal or state law, including, but not limited to, Title I funds, Title
28 VI funds, federal vocational education funds, federal school lunch funds,
29 Indian education funds, Head Start funds, and funds from the Education
30 Innovation Fund;

31 (8) Consolidate means to voluntarily reduce the number of school

1 districts providing education to a grade group and does not include
2 dissolution pursuant to section 79-498;

3 (9) Converted contract means an expired contract that was in effect
4 for at least fifteen school years beginning prior to school year 2012-13
5 for the education of students in a nonresident district in exchange for
6 tuition from the resident district when the expiration of such contract
7 results in the nonresident district educating students, who would have
8 been covered by the contract if the contract were still in effect, as
9 option students pursuant to the enrollment option program established in
10 section 79-234;

11 (10) Converted contract option student means a student who will be
12 an option student pursuant to the enrollment option program established
13 in section 79-234 for the school fiscal year for which aid is being
14 calculated and who would have been covered by a converted contract if the
15 contract were still in effect and such school fiscal year is the first
16 school fiscal year for which such contract is not in effect;

17 (11) Department means the State Department of Education;

18 (12) District means any ~~Class I, II, III, IV, V, or VI~~ school
19 district or unified system as defined in section 79-4,108;

20 (13) Ensuing school fiscal year means the school fiscal year
21 following the current school fiscal year;

22 (14) Equalization aid means the amount of assistance calculated to
23 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,
24 79-1007.25, 79-1008.01 to 79-1022, and 79-1022.02;

25 (15) Fall membership means the total membership in kindergarten
26 through grade twelve attributable to the local system as reported on the
27 fall school district membership reports for each district pursuant to
28 section 79-528;

29 (16) Fiscal year means the state fiscal year which is the period
30 from July 1 to the following June 30;

31 (17) Formula students means:

1 (a) For state aid certified pursuant to section 79-1022, the sum of
2 the product of fall membership from the school fiscal year immediately
3 preceding the school fiscal year in which the aid is to be paid
4 multiplied by the average ratio of average daily membership to fall
5 membership for the second school fiscal year immediately preceding the
6 school fiscal year in which the aid is to be paid and the prior two
7 school fiscal years plus sixty percent of the qualified early childhood
8 education fall membership plus tuitioned students from the school fiscal
9 year immediately preceding the school fiscal year in which aid is to be
10 paid minus the product of the number of students enrolled in kindergarten
11 that is not full-day kindergarten from the fall membership multiplied by
12 0.5; and

13 (b) For the final calculation of state aid pursuant to section
14 79-1065, the sum of average daily membership plus sixty percent of the
15 qualified early childhood education average daily membership plus
16 tuitioned students minus the product of the number of students enrolled
17 in kindergarten that is not full-day kindergarten from the average daily
18 membership multiplied by 0.5 from the school fiscal year immediately
19 preceding the school fiscal year in which aid was paid;

20 (18) Free lunch and free milk calculated students means, using the
21 most recent data available on November 1 of the school fiscal year
22 immediately preceding the school fiscal year in which aid is to be paid,
23 (a) for schools that did not provide free meals to all students pursuant
24 to the community eligibility provision, students who individually
25 qualified for free lunches or free milk pursuant to the federal Richard
26 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
27 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts
28 and sections existed on January 1, 2015, and rules and regulations
29 adopted thereunder, plus (b) for schools that provided free meals to all
30 students pursuant to the community eligibility provision, (i) for school
31 fiscal year 2016-17, the product of the students who attended such school

1 multiplied by the identified student percentage calculated pursuant to
2 such federal provision or (ii) for school fiscal year 2017-18 and each
3 school fiscal year thereafter, the greater of the number of students in
4 such school who individually qualified for free lunch or free milk using
5 the most recent school fiscal year for which the school did not provide
6 free meals to all students pursuant to the community eligibility
7 provision or one hundred ten percent of the product of the students who
8 qualified for free meals at such school pursuant to the community
9 eligibility provision multiplied by the identified student percentage
10 calculated pursuant to such federal provision, except that the free lunch
11 and free milk students calculated for any school pursuant to subdivision
12 (18)(b)(ii) of this section shall not exceed one hundred percent of the
13 students qualified for free meals at such school pursuant to the
14 community eligibility provision;

15 (19) Free lunch and free milk student means, for school fiscal years
16 prior to school fiscal year 2016-17, a student who qualified for free
17 lunches or free milk from the most recent data available on November 1 of
18 the school fiscal year immediately preceding the school fiscal year in
19 which aid is to be paid;

20 (20) Full-day kindergarten means kindergarten offered by a district
21 for at least one thousand thirty-two instructional hours;

22 (21) General fund budget of expenditures means the total budget of
23 disbursements and transfers for general fund purposes as certified in the
24 budget statement adopted pursuant to the Nebraska Budget Act, except that
25 for purposes of the limitation imposed in section 79-1023 ~~and the~~
26 ~~calculation pursuant to subdivision (2) of section 79-1027.01,~~ the
27 general fund budget of expenditures does not include any special grant
28 funds, exclusive of local matching funds, received by a district;

29 (22) General fund expenditures means all expenditures from the
30 general fund;

31 (23) General fund operating expenditures means for state aid

1 calculated for school fiscal years 2012-13 and each school fiscal year
2 thereafter, as reported on the annual financial report for the second
3 school fiscal year immediately preceding the school fiscal year in which
4 aid is to be paid, the total general fund expenditures minus (a) the
5 amount of all receipts to the general fund, to the extent that such
6 receipts are not included in local system formula resources, from early
7 childhood education tuition, summer school tuition, educational entities
8 as defined in section 79-1201.01 for providing distance education courses
9 through the Educational Service Unit Coordinating Council to such
10 educational entities, private foundations, individuals, associations,
11 charitable organizations, the textbook loan program authorized by section
12 79-734, federal impact aid, and levy override elections pursuant to
13 section 77-3444, (b) the amount of expenditures for categorical funds,
14 tuition paid, transportation fees paid to other districts, adult
15 education, community services, redemption of the principal portion of
16 general fund debt service, retirement incentive plans authorized by
17 section 79-855, and staff development assistance authorized by section
18 79-856, (c) the amount of any transfers from the general fund to any bond
19 fund and transfers from other funds into the general fund, (d) any legal
20 expenses in excess of fifteen-hundredths of one percent of the formula
21 need for the school fiscal year in which the expenses occurred, (e)(i)
22 for state aid calculated for school fiscal years prior to school fiscal
23 year 2018-19, expenditures to pay for sums agreed to be paid by a school
24 district to certificated employees in exchange for a voluntary
25 termination occurring prior to July 1, 2009, occurring on or after the
26 last day of the 2010-11 school year and prior to the first day of the
27 2013-14 school year, or, to the extent that a district has demonstrated
28 to the State Board of Education pursuant to section 79-1028.01 that the
29 agreement will result in a net savings in salary and benefit costs to the
30 school district over a five-year period, occurring on or after the first
31 day of the 2013-14 school year or (ii) for state aid calculated for

1 school fiscal year 2018-19 and each school fiscal year thereafter,
2 expenditures to pay for incentives agreed to be paid by a school district
3 to certificated employees in exchange for a voluntary termination of
4 employment for which the State Board of Education approved an exclusion
5 pursuant to subdivisions (1)(h), (i), (j), or (k) of section 79-1028.01,
6 (f)(i) expenditures to pay for employer contributions pursuant to
7 subsection (2) of section 79-958 to the School Employees Retirement
8 System of the State of Nebraska to the extent that such expenditures
9 exceed the employer contributions under such subsection that would have
10 been made at a contribution rate of seven and thirty-five hundredths
11 percent or (ii) expenditures to pay for school district contributions
12 pursuant to subdivision (1)(c)(i) of section 79-9,113 to the retirement
13 system established pursuant to the Class V School Employees Retirement
14 Act to the extent that such expenditures exceed the school district
15 contributions under such subdivision that would have been made at a
16 contribution rate of seven and thirty-seven hundredths percent, and (g)
17 any amounts paid by the district for lobbyist fees and expenses reported
18 to the Clerk of the Legislature pursuant to section 49-1483.

19 For purposes of this subdivision (23) of this section, receipts from
20 levy override elections shall equal ninety-nine percent of the difference
21 of the total general fund levy minus a levy of one dollar and five cents
22 per one hundred dollars of taxable valuation multiplied by the assessed
23 valuation for school districts that have voted pursuant to section
24 77-3444 to override the maximum levy provided pursuant to section
25 77-3442;

26 ~~(24) High school district means a school district providing~~
27 ~~instruction in at least grades nine through twelve;~~

28 (24) ~~(25)~~ Income tax liability means the amount of the reported
29 income tax liability for resident individuals pursuant to the Nebraska
30 Revenue Act of 1967 less all nonrefundable credits earned and refunds
31 made;

1 (25) ~~(26)~~ Income tax receipts means the amount of income tax
2 collected pursuant to the Nebraska Revenue Act of 1967 less all
3 nonrefundable credits earned and refunds made;

4 (26) ~~(27)~~ Limited English proficiency students means the number of
5 students with limited English proficiency in a district from the most
6 recent data available on November 1 of the school fiscal year preceding
7 the school fiscal year in which aid is to be paid plus the difference of
8 such students with limited English proficiency minus the average number
9 of limited English proficiency students for such district, prior to such
10 addition, for the three immediately preceding school fiscal years if such
11 difference is greater than zero;

12 (27) ~~(28)~~ Local system means a unified system or a learning
13 ~~community for purposes of calculation of state aid for each school fiscal~~
14 ~~year prior to school fiscal year 2017-18, a unified system, a Class VI~~
15 ~~district and the associated Class I districts, or a Class II, III, IV, or~~
16 ~~V district and any affiliated Class I districts or portions of Class I~~
17 ~~districts. The membership, expenditures, and resources of Class I~~
18 ~~districts that are affiliated with multiple high school districts will be~~
19 ~~attributed to local systems based on the percent of the Class I valuation~~
20 ~~that is affiliated with each high school district;~~

21 (28) ~~(29)~~ Low-income child means (a) for school fiscal years prior
22 to 2016-17, a child under nineteen years of age living in a household
23 having an annual adjusted gross income for the second calendar year
24 preceding the beginning of the school fiscal year for which aid is being
25 calculated equal to or less than the maximum household income that would
26 allow a student from a family of four people to be a free lunch and free
27 milk student during the school fiscal year immediately preceding the
28 school fiscal year for which aid is being calculated and (b) for school
29 fiscal year 2016-17 and each school fiscal year thereafter, a child under
30 nineteen years of age living in a household having an annual adjusted
31 gross income for the second calendar year preceding the beginning of the

1 school fiscal year for which aid is being calculated equal to or less
2 than the maximum household income pursuant to sections 9(b)(1) and 17(c)
3 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.
4 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)
5 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)
6 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections
7 existed on January 1, 2015, for a household of that size that would have
8 allowed the child to meet the income qualifications for free meals during
9 the school fiscal year immediately preceding the school fiscal year for
10 which aid is being calculated;

11 (29) ~~(30)~~ Low-income students means the number of low-income
12 children within the district multiplied by the ratio of the formula
13 students in the district divided by the total children under nineteen
14 years of age residing in the district as derived from income tax
15 information;

16 (30) ~~(31)~~ Most recently available complete data year means the most
17 recent single school fiscal year for which the annual financial report,
18 fall school district membership report, annual statistical summary,
19 Nebraska income tax liability by school district for the calendar year in
20 which the majority of the school fiscal year falls, and adjusted
21 valuation data are available;

22 (31) ~~(32)~~ Poverty students means (a) for school fiscal years prior
23 to 2016-17, the number of low-income students or the number of students
24 who are free lunch and free milk students in a district plus the
25 difference of the number of low-income students or the number of students
26 who are free lunch and free milk students in a district, whichever is
27 greater, minus the average number of poverty students for such district,
28 prior to such addition, for the three immediately preceding school fiscal
29 years if such difference is greater than zero and (b) for school fiscal
30 year 2016-17 and each school fiscal year thereafter, the unadjusted
31 poverty students plus the difference of such unadjusted poverty students

1 minus the average number of poverty students for such district, prior to
2 such addition, for the three immediately preceding school fiscal years if
3 such difference is greater than zero;

4 ~~(32)~~ ~~(33)~~ Qualified early childhood education average daily
5 membership means the product of the average daily membership for school
6 fiscal year 2006-07 and each school fiscal year thereafter of students
7 who will be eligible to attend kindergarten the following school year and
8 are enrolled in an early childhood education program approved by the
9 department pursuant to section 79-1103 for such school district for such
10 school year multiplied by the ratio of the actual instructional hours of
11 the program divided by one thousand thirty-two if: (a) The program is
12 receiving a grant pursuant to such section for the third year; (b) the
13 program has already received grants pursuant to such section for three
14 years; or (c) the program has been approved pursuant to subsection (5) of
15 section 79-1103 for such school year and the two preceding school years,
16 including any such students in portions of any of such programs receiving
17 an expansion grant;

18 ~~(33)~~ ~~(34)~~ Qualified early childhood education fall membership means
19 the product of membership on the last Friday in September 2006 and each
20 year thereafter of students who will be eligible to attend kindergarten
21 the following school year and are enrolled in an early childhood
22 education program approved by the department pursuant to section 79-1103
23 for such school district for such school year multiplied by the ratio of
24 the planned instructional hours of the program divided by one thousand
25 thirty-two if: (a) The program is receiving a grant pursuant to such
26 section for the third year; (b) the program has already received grants
27 pursuant to such section for three years; or (c) the program has been
28 approved pursuant to subsection (5) of section 79-1103 for such school
29 year and the two preceding school years, including any such students in
30 portions of any of such programs receiving an expansion grant;

31 ~~(34)~~ ~~(35)~~ Regular route transportation means the transportation of

1 students on regularly scheduled daily routes to and from the attendance
2 center;

3 (35) ~~(36)~~ Reorganized district means any district involved in a
4 consolidation and currently educating students following consolidation;

5 (36) ~~(37)~~ School year or school fiscal year means the fiscal year of
6 a school district as defined in section 79-1091;

7 (37) ~~(38)~~ Sparse local system means a local system that is not a
8 very sparse local system but which meets the following criteria:

9 (a)(i) Less than two students per square mile in the county in which
10 each high school is located, based on the school district census, (ii)
11 less than one formula student per square mile in the local system, and
12 (iii) more than ten miles between each high school attendance center and
13 the next closest high school attendance center on paved roads;

14 (b)(i) Less than one and one-half formula students per square mile
15 in the local system and (ii) more than fifteen miles between each high
16 school attendance center and the next closest high school attendance
17 center on paved roads;

18 (c)(i) Less than one and one-half formula students per square mile
19 in the local system and (ii) more than two hundred seventy-five square
20 miles in the local system; or

21 (d)(i) Less than two formula students per square mile in the local
22 system and (ii) the local system includes an area equal to ninety-five
23 percent or more of the square miles in the largest county in which a high
24 school attendance center is located in the local system;

25 (38) ~~(39)~~ Special education means specially designed kindergarten
26 through grade twelve instruction pursuant to section 79-1125, and
27 includes special education transportation;

28 (39) ~~(40)~~ Special grant funds means the budgeted receipts for
29 grants, including, but not limited to, categorical funds, reimbursements
30 for wards of the court, short-term borrowings including, but not limited
31 to, registered warrants and tax anticipation notes, interfund loans,

1 insurance settlements, and reimbursements to county government for
2 previous overpayment. The state board shall approve a listing of grants
3 that qualify as special grant funds;

4 ~~(40)~~ ~~(41)~~ State aid means the amount of assistance paid to a
5 district pursuant to the Tax Equity and Educational Opportunities Support
6 Act;

7 ~~(41)~~ ~~(42)~~ State board means the State Board of Education;

8 ~~(42)~~ ~~(43)~~ State support means all funds provided to districts by the
9 State of Nebraska for the general fund support of elementary and
10 secondary education;

11 ~~(43)~~ ~~(44)~~ Statewide average basic funding per formula student means
12 the statewide total basic funding for all districts divided by the
13 statewide total formula students for all districts;

14 ~~(44)~~ ~~(45)~~ Statewide average general fund operating expenditures per
15 formula student means the statewide total general fund operating
16 expenditures for all districts divided by the statewide total formula
17 students for all districts;

18 ~~(45)~~ ~~(46)~~ Teacher has the definition found in section 79-101;

19 ~~(46)~~ ~~(47)~~ Temporary aid adjustment factor means (a) for school
20 fiscal years before school fiscal year 2007-08, one and one-fourth
21 percent of the sum of the local system's transportation allowance, the
22 local system's special receipts allowance, and the product of the local
23 system's adjusted formula students multiplied by the average formula cost
24 per student in the local system's cost grouping and (b) for school fiscal
25 year 2007-08, one and one-fourth percent of the sum of the local system's
26 transportation allowance, special receipts allowance, and distance
27 education and telecommunications allowance and the product of the local
28 system's adjusted formula students multiplied by the average formula cost
29 per student in the local system's cost grouping;

30 ~~(47)~~ ~~(48)~~ Tuition receipts from converted contracts means tuition
31 receipts received by a district from another district in the most

1 recently available complete data year pursuant to a converted contract
2 prior to the expiration of the contract;

3 ~~(48)~~ ~~(49)~~ Tuitioned students means students in kindergarten through
4 grade twelve of the district whose tuition is paid by the district to
5 some other district or education agency;

6 ~~(49)~~ ~~(50)~~ Unadjusted poverty students means, for school fiscal year
7 2016-17 and each school fiscal year thereafter, the greater of the number
8 of low-income students or the free lunch and free milk calculated
9 students in a district; and

10 ~~(50)~~ ~~(51)~~ Very sparse local system means a local system that has:

11 (a)(i) Less than one-half student per square mile in each county in
12 which each high school attendance center is located based on the school
13 district census, (ii) less than one formula student per square mile in
14 the local system, and (iii) more than fifteen miles between the high
15 school attendance center and the next closest high school attendance
16 center on paved roads; or

17 (b)(i) More than four hundred fifty square miles in the local
18 system, (ii) less than one-half student per square mile in the local
19 system, and (iii) more than fifteen miles between each high school
20 attendance center and the next closest high school attendance center on
21 paved roads.

22 Sec. 82. Section 79-1108.02, Revised Statutes Supplement, 2017, is
23 amended to read:

24 79-1108.02 (1) The department shall distribute funds appropriated
25 for purposes of this section to local systems as defined in section
26 79-1003 annually on or before October 15. The funds distributed pursuant
27 to this section shall be distributed based on a pro rata share of the
28 eligible costs submitted in grant applications.

29 (2) Local systems may apply to the department for base funds and
30 matching funds pursuant to this section to be spent on approved
31 accelerated or differentiated curriculum programs. Each eligible local

1 system shall receive one-tenth of one percent of the appropriation as
2 base funds plus a pro rata share of the remainder of the appropriation
3 based on identified students participating in an accelerated or
4 differentiated curriculum program, up to ten percent of the prior year's
5 fall membership as defined in section 79-1003, as matching funds.
6 Eligible local systems shall:

7 (a) Provide an approved accelerated or differentiated curriculum
8 program for students identified as learners with high ability;

9 (b) Provide funds from other sources for the approved accelerated or
10 differentiated curriculum program greater than or equal to fifty percent
11 of the matching funds received pursuant to this subsection;

12 (c) Provide an accounting of the funds received pursuant to this
13 section, funds required by subdivision (b) of this subsection, and the
14 total cost of the program on or before August 1 of the year following the
15 receipt of funds in a manner prescribed by the department, not to exceed
16 one report per year; and

17 (d) Provide data regarding the academic progress of students
18 participating in the accelerated or differentiated curriculum program in
19 a manner prescribed by the department, not to exceed one report per
20 year. ; ~~and~~

21 ~~(e) Include identified students from Class I districts that are part~~
22 ~~of the local system in the accelerated or differentiated curriculum~~
23 ~~program.~~

24 If a local system will not be providing the necessary matching funds
25 pursuant to subdivision (b) of this subsection, the local system shall
26 request a reduction in the amount received pursuant to this subsection
27 such that the local system will be in compliance with such subdivision.
28 Local systems not complying with the requirements of this subsection
29 shall not be eligible local systems in the following year.

30 2. On page 1, line 3, strike "79-407,"; in line 10 strike
31 "79-1108.02,"; in line 11 strike "and sections 13-508," and insert

1 "sections"; in line 12 strike "79-1003,"; and in line 14 after "2016"
2 insert ", and sections 13-508, 79-407, 79-1003, and 79-1108.02, Revised
3 Statutes Supplement, 2017".

4 3. On page 113, line 2, strike "79-407,"; in line 9 strike
5 "79-1108.02,"; in line 10 strike "and sections 13-508," and insert
6 "sections"; in line 11 strike "79-1003,"; and in line 13 after the last
7 comma insert "and sections 13-508, 79-407, 79-1003, and 79-1108.02,
8 Revised Statutes Supplement, 2017,".