

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			See Below	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 473 is the Nebraska Elementary Attendance Region Act. The bill provides procedures to establish elementary attendance regions within existing Class II, III or IV school districts. Regions must be composed of contiguous territory and comply with requirements related to size and number of students. Each region shall have a council. Councils may apply for and receive grants and donations which are to be credited to an account administered by the council. Staff and teachers of attendance regions are employees of the Class II, III or IV school district. Assets and liabilities of the attendance regions also belong to the Class II, III or IV school district. The earliest year that an attendance region may be established is 2010-11.

Attendance regions may levy a property tax on the taxable property in the elementary attendance region to construct, purchase, renovate or lease a facility for an elementary attendance site. The property tax may not exceed 5.2 cents per one dollars of valuation, not to exceed \$50,000 in total over a five year period. School districts may exceed the levy limit by up to 1 cent, not to exceed \$50,000 for attendance facilities. These provisions of the bill will increase property tax revenue and expenditures for school districts with elementary attendance regions which opt to levy a tax. The amount of increased property taxes is undeterminable because the number of elementary attendance regions that will be created is unknown.

The bill establishes a general funded aid program for elementary attendance regions. The aid is to accrue to the elementary attendance region and be counted as formula resources for the local system. Aid to each attendance region aid equals 500% of the statewide average general fund operating expenditures per formula student times a ratio of the fall membership of the attendance region divided by the number of grades offered. The amount of elementary attendance aid calculated for the attendance region becomes part of the special receipts allowance in the state aid calculation for the local system.

The provision of elementary attendance region aid will have a general fund impact for the initial two years the aid is provided to an attendance region, prior to the aid being considered a resource in the state aid formula. There could also be an on-going general fund impact, beyond two years, in the amount of aid provided to elementary attendance regions in nonequalized school districts. The amount of aid increase is unknown because the number of attendance regions is not determinable.

After the initial two years, the establishment of the allowance enables school districts with expenditures for elementary attendance regions to have increased "need" in the formula. Elementary attendance region aid will be used as a formula resource which will offset the "need" in the formula. If a school district increases or decreases spending pursuant to the establishment of elementary attendance regions then there will be a corresponding increase or decrease in state aid, two years later.

Section 5 requires school districts to provide resources for an attendance region in an amount not less than the number of adjusted formula students expected to attend the facility times the cost grouping cost per student in the state aid formula.*

*Technical Note: The references in the bill to adjusted formula students and cost grouping costs in the state aid formula are no longer valid for state aid provided after 2008-09. It is assumed these provisions are inoperable in the bill.

DEPARTMENT OF ADMINISTRATIVE SERVICES

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COMMENTS					
NEBRASKA DEPARTMENT OF EDUCATION/FINANCE AND ORGANIZATION SERVICES: Concur.					

