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LB 711

Revision: 01

Revised on 2/23/10 to reflect amendments adopted through 2/22/10

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 711 changes provisions for the withdrawal of districts from a unified school system or the dissolution of a unified school system. A unified school system has two or more Class II or III school districts participating in the system for a minimum of three years.

Currently, districts cannot withdraw from or dissolve a unified system unless each participating school district is merged with one other district and there must be at least two districts remaining in the unified system. A declaratory judgment by a court determines the rights and liabilities of districts after withdrawal or dissolution. The bill eliminates these provisions and provides that the interlocal agreement entered into by the participating school districts will define the permissible methods for accomplishing the partial or complete termination of the unified system. LB 711 also repeals language prohibiting the creation of unified school systems after April 3, 2008.

There are currently three unified school systems in the state. The bill authorizes additional school districts to form unified systems in the future. It also allows school districts currently participating in unified systems to withdraw from such systems and not be required to merge with another district. The financial implications of the bill cannot be determined because it is unknown which districts may seek to dissolve or withdraw from existing unified systems; how interlocal agreements relating to the rights and liabilities of districts upon withdrawal or dissolution of a system will differ from declaratory judgments; and, which districts may form unified systems in the future.

The bill also changes the certification date for state aid pursuant to the Tax Equity and Educational Opportunities Support Act (TEEOSA) for 2010-11, from on or before March 1, 2010 to on or before March 10, 2010.