

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2008-09</b>		<b>FY 2009-10</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
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 903 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.

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.

School districts must 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. School districts are given authority to exceed the budget lid for expenditures related to the creation of elementary attendance regions. Any increase in school district spending pursuant to the establishment of elementary attendance regions will result in a like increase in state aid, two years later. No fiscal impact can be determined because increased spending for elementary attendance regions is unknown. The earliest year that an attendance region may be established is 2009-10.