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 DATE PREPARED: January 29, 2008  
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**LB 976**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	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 976 changes provisions relating to the dissolution of unified school systems. The bill provides that schools may not withdraw from a unified system or dissolve a unified system unless a participating school district merges with at least one other district or the unified system will continue with at least one other participating district. LB 976 charges the court with jurisdiction to determine matters relating to the rights and liabilities of participating school districts including allocations of staff, property and revenue and repayments of incentive aid. The State Department of Education (NDE) is to implement and enforce terms of any declaratory judgment by a court. The bill also prohibits the creation of unified school systems after the effective date of the bill.

There are currently four unified school systems in the state which have twelve participating districts. The South Central Unified System has four participating districts, the Nebraska Unified and Hitchcock County Unified Systems each have three participating districts and the Bruning-Davenport Unified System consists of two school districts.

LB 976 has no fiscal impact for NDE. The bill also has no definite fiscal impact for districts participating in unified school systems. It is possible the restrictions on the dissolution or withdrawal of school districts from unified school systems or future declaratory judgments by a court as required by the bill may have a fiscal impact for school districts participating in these systems. Any future impact is unknown.

DEPARTMENT OF ADMINISTRATIVE SERVICES

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COMMENTS					
DEPT. OF EDUCATION – Concur.					