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LB 642

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	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 642 requires the State Board of Education to merge all educational service units (ESU's) that have territory within a city of the metropolitan class on or before December 31, 2007. The board is to transfer school districts that are not members of the learning community of such city to other contiguous ESU's. The effective date for the transfers and mergers is July 1, 2008. The learning community coordinating council is to become the governing body for the merged ESU.

The bill merges ESU's #3 and #19 in Omaha. It transfers eight school districts (Arlington, Blair, Conestoga, Elmwood-Murdock, Fort Calhoun, Louisville, Plattsmouth and Weeping Water) in ESU #3 to contiguous units, assumed to be ESU's #2 and #4. It is assumed the transfer of property from one ESU to another will not impact total statewide property tax collections because all ESU's currently levy at the maximum rate. It is assumed ESU's #2 and #4, impacted by the transfers, and ESU #3, impacted by the merger, will have increased resources and a corresponding increase in spending to serve additional school districts.

The bill will not increase state aid to ESU's but will result in a redistribution of aid between ESU's due to changes in the number of students served by each ESU.