



## Fiscal Estimate Narratives

DPI 11/13/2003

LRB Number <b>03-3176/2</b>	Introduction Number <b>AB-619</b>	Estimate Type <b>Original</b>
<b>Subject</b> Racine County Childeren with Disabilities Education Board		

### Assumptions Used in Arriving at Fiscal Estimate

#### Local Fiscal Effect:

This bill provides that, if the special education program operated by the Racine County Children with Disabilities Education Board (RCCDEB) is dissolved, all assets and liabilities will be distributed to the school districts that participated in the program as provided under current law, except that Racine County will continue to be responsible for paying the costs associated with the postretirement health benefits of, and the unfunded prior service liability incurred under the Wisconsin Retirement System (WRS) for, former employees of the RCCDEB. The tax for these costs will continue to be levied against the area of Racine County that participated in the program before its dissolution.

Currently, 11 school districts in western Racine County participate in the special education program operated by the RCCDEB. Racine Unified School District operates its own special education program and does not participate. The RCCDEB is to be dissolved effective June 30, 2006.

The bill would not change current law regarding distribution of assets. Assets would be distributed to the 11 participating school districts as required under current law.

The bill would change current law with regard to the distribution of liabilities upon dissolution of the RCCDEB. The bill addresses the RCCDEB's two major liabilities: (1) unfunded prior service liability and (2) postretirement health benefits.

The bill is offered as an alternative to current law, eliminating the requirement for a one-time settlement to distribute the liabilities (along with the assets) of the RCCDEB to the participating school districts. Actual liability costs would be based on actuarial studies. Under the provisions of the bill, the two major liabilities of the RCCDEB would continue to be the responsibility of Racine County, and the costs would continue to be paid annually as they are incurred.

With responsibility for these liabilities remaining with the county, the tax for these costs would continue to be levied by the county. Under current law, with the liabilities being distributed to the participating school districts, the districts would levy taxes for these costs.

The bill has no local fiscal effect as the costs and taxing authority would remain, but would be shifted from one local governmental entity (school districts) to another (county).

### Long-Range Fiscal Implications