

Fiscal Estimate — 2001 Session

<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Updated	LRB Number LRB-0893/1	Amendment Number if Applicable
<input type="checkbox"/> Corrected	<input type="checkbox"/> Supplemental	Bill Number Assembly Bill 83	Administrative Rule Number

Subject

Prohibiting school boards from entering into certain contracts

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs — May be possible to absorb within agency's budget.
 Yes No

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No Local Government Costs

1. Increase Costs

Permissive Mandatory

2. Decrease Costs

Permissive Mandatory

3. Increase Revenues

Permissive Mandatory

4. Decrease Revenues

Permissive Mandatory

5. Types of Local Governmental Units Affected:

Towns Villages Cities

Counties Others

School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Chapter 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

Current law provides that a person may sell or promote the sale of goods and services on school district property unless the school board adopts written resolutions that prohibit, restrict or otherwise regulate the sale or promotion of goods and services.

This bill would prohibit a school board from entering into a contract that grants exclusive advertising rights to a person or that prohibits the school board, a school board member, a school district employee or a pupil from disparaging the goods or services of a person contracting with the school board. The bill also prohibits a school board from entering into a contract for telecommunications goods and services that requires the dissemination of advertising to pupils.

It is assumed that school districts that have contracts with persons granting exclusive advertising rights would experience a loss of revenue because such contracts cannot be modified, extended or renewed, should this bill become law. The number of school districts that have contracts granting exclusive advertising rights is unknown; the number of these contracts is also unknown, and the terms of these contracts are unknown. The department does not collect data on contracts that school districts enter into that grant exclusive advertising rights. Therefore, any loss of revenue as a result of this bill is unknown and indeterminable.

The bill's provision that prohibits a school board from entering into a contract for telecommunications goods and services that requires the dissemination of advertising to pupils may have the potential for some savings. A UW-Milwaukee study entitled, "The Hidden Costs of Channel One: Estimates for the 50 States," has determined that the cost in lost time for an average secondary school to use Channel One, an advertiser-supported television news program, is \$158,000. About 115 Wisconsin school districts use Channel One. We are unable to precisely estimate the cost for lost instruction of time for Wisconsin school districts due to advertising. Thus, we are unable to estimate the cost savings that might be realized should advertising be prohibited.

There is no state fiscal effect as a result of this bill.

Long-Range Fiscal Implications

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