

Fiscal Estimate — 2001 Session

- Original Updated
 Corrected Supplemental

LRB Number - 0715/1	Amendment Number if Applicable
Bill Number Senate Bill 4	Administrative Rule Number

Subject

Increasing a school district's revenue limit by the amount spent to initiate a school breakfast or school lunch program and requiring a report on pupil nourishment.

Fiscal Effect

State: No State Fiscal Effect

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

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

- Increase Costs — May be possible to absorb within agency's budget.
 Yes No
 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
s. 20.255

Assumptions Used in Arriving at Fiscal Estimate

Assumptions Used in Arriving at Fiscal Estimate

This bill provides that a school district's revenue limit is increased by an amount equal to the costs incurred by the school district to establish a school breakfast program, a school lunch program or both programs. The bill also directs each school district that has neither a school breakfast program nor a school lunch program to include in its annual report to the department of public instruction an evaluation of how well the pupils enrolled in the school district are nourished.

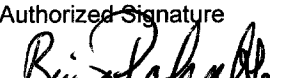
School Breakfast Program

Currently, 225 school districts in the state do not participate in the school breakfast program. In order to estimate the potential revenue limit exemption provided by this bill, a three-year average (1997, 1998, and 1999) of the grants awarded to school districts prior to 1999 Wisconsin Act 9 is used to estimate new start-up costs. (Prior to Act 9, the state provided start-up grants for school districts without school breakfast programs. Act 9 provided school districts, in lieu of start-up grants, 10 cents for each breakfast served beginning in 2001). The three-year average of grants awarded to each school district for establishing school breakfast programs was approximately \$9,180.

School Lunch Program

Currently, 20 school districts do not participate in the school lunch program. In order to estimate the potential revenue limit exemption provided by this bill, a cost of about \$510 per pupil is estimated. This per pupil amount was arrived at by dividing the estimated cost of establishing a food service facility in the Manitowoc school district by the number of students enrolled. Therefore, this per pupil cost estimate does not completely reflect the costs associated with establishing a school lunch program.

Long-Range Fiscal Implications

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Annual Report Requirement Regarding Pupil Nourishment

Currently, the same 20 school districts that do not participate in school lunch programs also do not participate in school breakfast programs. These school districts would be required to include an annual evaluation of how well pupils are nourished in their district.

Fiscal Effects

School Breakfast Program

It is unknown how many school districts not currently participating in a breakfast program would establish one; therefore, alternative scenarios and their fiscal effects are provided below.

	Scenario A	Scenario B	Scenario C
Percentage of Districts Participating	50% (113 Districts)	75% (169 Districts)	100% (All 225 Districts)
Increased Revenue Limit Authority	\$ 1,037,300	\$ 1,551,400	\$ 2,065,500
State Share	\$ 691,600	\$ 1,034,300	\$ 1,377,000
Local Share	\$ 345,800	\$ 517,100	\$ 688,500

Under Scenario A, it is assumed 113 school districts (50% of the school districts not currently participating) would begin breakfast programs, resulting in increased statewide revenue limit authority (partial school revenues) of approximately \$1.04 million (113 school districts x \$9,180 start-up cost). In order to maintain two-thirds funding of partial school revenues, the state would be required to increase general school aids by about \$691,000 (2/3 x \$1.04 million). In addition, this increased revenue limit authority would allow school districts to increase their local tax levies by approximately \$346,000 (1/3 x \$1.04 million).

School Lunch Program

It is unknown how many school districts not currently participating in a school lunch program would establish one; therefore, alternative scenarios and their fiscal effects are provided below.

	Scenario A	Scenario B	Scenario C
Percentage of Pupils Participating	50% (7,300 Pupils)	75% (11,000 Pupils)	100% (All 14,600 Pupils)
Increased Revenue Limit Authority	\$ 3,723,800	\$ 5,585,700	\$ 7,446,000
State Share	\$ 2,482,500	\$ 3,723,800	\$ 4,964,000
Local Share	\$ 1,241,300	\$ 1,861,900	\$ 2,482,000

NOTE: These scenarios employ a per pupil cost (\$510) to estimate school lunch start-up costs and since it is not known which districts will begin these programs, the scenarios use the percentage of the total pupils enrolled in districts currently not participating in the school lunch program.

Under Scenario A, it is assumed 7,300 pupils (50% of pupils not currently participating) would participate in school lunch programs, resulting in increased statewide revenue limit authority (partial school revenues) of approximately \$3.72 million (7,300 pupils x \$510 per pupil start-up costs). In order to maintain two-thirds funding of partial school revenues, the state would be required to increase general school aids by about \$2.5 million (2/3 x \$3.72 million). In addition, this increased revenue limit authority would allow school districts to increase their local tax levies by approximately \$1.2 million (1/3 x \$3.72 million).

Annual Report Requirement Regarding Pupil Nourishment

This bill's reporting requirement is estimated to have a minimal fiscal impact.