

**FISCAL ESTIMATE FORM**

**1999 Session**

- ORIGINAL
- CORRECTED
- UPDATED
- SUPPLEMENTAL

**LRB # -0392/2**

**Introduction # Assembly Bill 103**

**Admin. Rule #**

**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
- Decrease Costs

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

Local:  No local government costs

Indeterminable

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

**Affected Ch. 20 Appropriations**

SEG-S

**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 prohibits 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 will 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 \$141,000. About 115 Wisconsin school districts use Channel One. If the above-mentioned study is accurate, the bill may save Wisconsin schools as much as \$16,215,000 (\$141,000 X 115) annually in lost instructional time.

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

**Long-Range Fiscal Implications:**

**Prepared By: (Name & Phone # / Agency Name)**

Tom Johnson (608) 266-2819  
 Department of Public Instruction

**Authorized Signature / Telephone No.**

*Gina Frank-Reece*  
 Gina Frank-Reece (608) 266-2804

**Date**

4-9-99