## Fiscal Estimate - 2001 Session

X	Original		Updated		Corrected		Supple	mental	
LRB	Number	01-4064/2		Introd	luction Numbe	er Al	B-678	<del></del>	
Subje	ct								
Exclus	sive soft drink	sales contracts							
Fiscal	Effect								
	<b></b>	e Existing ations e Existing	Revenue Decreas Revenue	se Existing	Increase absorb w Decrease	ithin age Yes	May be pency's bu	oossible to dget No	
	No Local Go Indeterminat  1. Increas Permiss 2. Decrea Permiss	e Costs sive Mandato se Costs sive Mandato	ry Permissi 4. Decreas	ive Manda e Revenue	☐ Count	cted s [ ies [ ol [	Village Others WTCS Districts	Cities	
Fund :	Sources Affe		PRS SE	EG 🔲 SE	Affected Ch. 2	20 Appr	opriation	ıs	
Agend	y/Prepared	Ву	Α	uthorized S	ignature			Date	
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## Fiscal Estimate Narratives DATCP 12/12/01

LRB Number <b>01-4064/2</b>	Introduction Number	AB-678	Estimate Type	Original					
Subject									
Exclusive soft drink sales contracts									

## Assumptions Used in Arriving at Fiscal Estimate

This bill requires school districts that enter into exclusive contracts with a soft drink vendor to also make milk available "whenever and wherever" soft drinks are offered to pupils.

There is no state fiscal effect; this bill would have no direct impact on the state budget.

It is very difficult, however, to determine the fiscal effect that this bill would have on school districts. There are too many variables. If school districts are able to favorably market milk alongside soft drinks, there will be a net gain in revenues. On the other hand, if school districts are forced to offer milk at a price that is below their cost, or if they must regularly dispose of milk that was not used before the expiration date, this bill will have a negative fiscal impact.

Some of the many variables that would effect the net fiscal effect are: the acquisition cost of both milk and soft drinks, the selling price (to pupils) of both milk and soft drinks, the taste preferences of pupils, the marketing strategy of the milk vendor, the marketing strategy of the soft drink vendor and the contract terms with both soft drink and milk vendors. Because of this large number of variables, it is impossible to produce a fiscal estimate that would apply to all school districts in the state that enter into this type of contract. The fiscal effect will be different for each district in the state.

Although we cannot determine whether this bill would have a positive or negative fiscal effect on a typical school system; we suspect that the fiscal effect would probably be immaterial when placed in the context of the entire school district budget.

Long-Range Fiscal Implications