

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 293

PRINTER'S NO. 1565

AMOUNT

No Fiscal Impact

FUND

General

DATE INTRODUCED

January 26, 2011

PRIME SPONSOR

Senator Brubaker

HISTORY OF BILL

Referred to EDUCATION, Jan. 26, 2011

Reported as amended, April 5, 2011

First consideration, April 5, 2011

Re-referred to APPROPRIATIONS, April 13, 2011

Re-reported as amended, Sept. 20, 2011

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 293, as amended, amends the State Public School Building Authority Act (Act 498 of 1947) to increase the amount of a contract that must be bid from \$4,000 to a base amount of \$18,500 through a public advertising process for school construction projects. The threshold amount would be adjusted annually by the calculation of a percentage increase based on the Consumer Price Index (CPI) for All Urban Consumers by the Department of Labor and Industry (L & I). The threshold adjustment would be calculated between October 1 and November 15 of each year. L & I would be required to publish the percentage change to the minimum threshold in the Pennsylvania Bulletin.

The bill prohibits the evasion of advertising requirements for bids by entering into a series of purchases or contracts piecemeal so as to obtain contracts under the required advertising price. A 10% surcharge on the full amount of the contract or purchase price would be imposed if the bid requirements are knowingly avoided in this way.

Senate Bill 293 applies to contracts and purchases advertised on or after January 1 of the year following the effective date.

The act takes effect immediately.

FISCAL IMPACT:

The provisions of this bill will not cause any significant costs to be incurred by the Commonwealth.