



**Testimony of
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before the
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- Let me first begin by saying that PSBA fully supports open, transparent government, and we recognize that legal advertisement of items such as school board meetings, resolutions, budgets and bidding requests certainly serve an important purpose by keeping communities informed of school district proceedings. However, in some areas of the state, the current requirement that local governments place these advertisements in newspapers of general circulation can be both costly and inefficient.

- According to a study released by Penn State University in May 2006 entitled *Cost Savings on Mandatory Legal Advertising by Local Governmental Entities*, over a three-year period, the average expenditure on legal advertising per school district was \$22,743, while the total spent by all school districts on legal advertising over the same time period was more than \$11 million. The argument has been made that these expenditures make up only a small percentage of a local government's operating budget; therefore the cost savings would be insignificant. However, most school districts spend thousands if not tens of thousands of dollars each year on legal advertisements.

- In a recent survey to school districts, we asked how much each spent on legal advertising. The survey was answered by 217 of PA's 501 school districts, or 43%. On average, districts reported spending \$11,862.00 on legal advertising. The high was \$212,723.00 and the low was \$250.00, so there is a wide range in the cost of this mandate.

- One of the explanations could be that the costs for legal advertisements can increase substantially when a school district engages in a construction project because of the additional advertising needed to bid for contracts and services. With the additional costs already placed on school construction by state mandates—including prevailing wage requirements and bid threshold limits which have not been raised in almost 20 years—schools already face the difficult task of determining how to control costs on these projects. For example, Shaler Area School District in Allegheny County began an extensive renovation project on Shaler Area High School during the 2006-2007 fiscal year. For that year, the district had budgeted \$10,000 for advertising costs. However, because of the necessary advertising connected with the construction project, Shaler Area School District’s total costs for advertising amounted to nearly \$30,000.
- While these amounts may seem insignificant in light of a district’s total operating budget, every dollar we are able to save school districts is another dollar that districts can use to support student programs, or another dollar that property taxes do not need to be raised to prevent cuts to those programs. In a time of economic uncertainty, we cannot afford to ignore the possible cost savings that are created by allowing school districts and other local government entities to advertise legal notices in alternative ways. It is vital that Pennsylvania lend deference to school districts to ensure every dollar is being spent efficiently and effectively. Additionally, with school districts facing a perilous rate spike in the Public School Employees’ Retirement System and uncertain education funding under the looming budget, it is imperative that school districts retain flexibility in spending while still fulfilling their duty to publicize legal notices.
- . In the same 2006 Penn State study I mentioned earlier, it was reported that local governmental entities could have saved approximately \$70 million dollars over three years if legal advertising were done on individual local government websites

rather than in newspapers. That is \$70 million dollars *after* subtracting website construction costs and maintenance over a three year period.

- According to the Web site, *www.internetworldstats.com*, which bases its statistics on information from the U.S. Census Bureau and Nielsen Net Ratings, 72.5% of the U.S. population has access to the Internet. With more and more of the public gaining access to the Internet, it is a natural progression to publish legal advertisements on Web sites rather than solely in newspapers. School districts and other local governmental entities could reach far more individuals in their community and a desire for access to legal advertisements would no longer require the purchase of a newspaper.

Allowing legal advertisements to be published on Internet Web sites does not diminish the overall intent of legal advertisements, namely government transparency. Instead it serves to grant the public even greater access to the information that they are entitled to.

Thank you for allowing me this opportunity to make brief comments and I will be happy to answer any questions that you may have.