

## Pennsylvania Association of School Business Officials

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# Written Testimony to the House Consumer Affairs Committee Public Hearing on House Bill 795 June 9, 2009

PASBO supports allowing the publication of legal notices on the Internet in lieu of newspapers of general circulation. Introduction of House Bill 795 represents one step towards recognizing that the print media's role in mass communications has been minimized with the growth of electronic communication and specifically the Internet. The diminished readership and the consolidation of many daily newspapers have made the Internet a viable advertising medium for governmental entities. PASBO believes it is just as effective and reduces school districts' mandated advertising costs.

Many sections of the Public School Code require public advertisements under the theory that is provides a universal notification to the public. As one example, Section 807.1(a) requires that all contracts for furniture, equipment, textbook, school supply, and appliance contracts valued at \$10,000 or more be advertised in two newspapers of general circulation once a week for three weeks.

School districts also have to advertise their school board meeting schedule and special meetings as well. Recently a district had to advertise its bond refinancing. It provided notice that it would be reducing its debt service costs. In effect, it had to incur more costs to tell a few readers of the legal ads that we were saving taxpayer monies for our residents.

Newspaper advertising, as required under section 807.1 (a), and other School Code provisions, is ineffective since a prospective bidder may not read the paper on the day on which the legal notice is posted. If a bidder does not read the paper(s) on those particular days, he or she will be unaware of the bid opportunity. Furthermore there are more accessible and less expensive methods to alert interested parties to the opportunity to bid. A school district recently received bids for its high school yearbook pictures. One bidder's home office was from out of state. That bidder found the district's specifications through the Internet, not from our local newspaper.

Newspaper advertising rates are costly. To seek relief from these increasing costs, recently the Upper Moreland Township School District sought a Pennsylvania Department of Education mandate waiver allowing the district to advertise for furniture, equipment, textbook, school supply, and appliance contracts valued at \$10,000 or more on the district's official Internet website or in a "community newspaper of mass dissemination." The waiver allows the district to avoid the requirement in School Code Section 807.1 (a) for advertising in a newspaper of general circulation.

In granting the waiver, the Department emphasized the District's annual advertising savings (estimated by the District to be \$13,000 to \$20,000) "will indirectly benefit all of the District's programs thus allowing the District to operate in a more effective, efficient or economical manner." Any savings realized can be redirected to benefit a District's instructional program.

While proposed House Bill 795 would amend the law to allow all school Districts to advertise contracts on the Internet, until the legislation is passed a school district wishing to obtain a Section 807 waiver will have to file its own application with the Department of Education. PASBO would be pleased if House Bill 795 became law so other districts could benefit from the relief without seeking a mandate waiver. In addition to school districts realizing savings through such an option, electronic publication would recognize the benefits of current technology as well as provide convenient and immediate access to notices.

There are other more effective ways of advertising. Many districts learn of potential bidders by school-to-school contact and or word of mouth, and utilize direct mailing to notify existing vendors and potential vendors from the nearby area of bid opportunities. These options produce interested bidders and get a school district as much result or an equivalent result than advertising in a newspaper.

Advertising bid opportunities on the Internet would be equally effective. Currently, in regards to obtaining applicants for open instructional positions, school districts use several sources, including PA-Educator.net, a special education speech site for speech therapy positions, local radio, professional associations like PASBO and the PA School Boards Association and the Commonwealth's PaCareerlink.com for non-instructional jobs. An equivalent number of applicants respond through these advertisements, not the local newspaper or merchandiser. PASBO believes the use of the Internet would be equally successful to garner interested bidders, particularly if there was a central state depository. The Commonwealth could use the state's eMarketplace through the Bureau of Procurement to enable school districts to post solicitations and potential contract opportunities.

Meanwhile, although newspaper advertising may be less than effective in most regards, school districts are required to continue to advertise in this manner, costing taxpayers thousands of dollars. In some cases, a newspaper advertisement may only identify one bidder. If there was one place to go to view bids, there would certainly be more competition. The more competition the better results for school districts and their taxpayers.

In summary, newspaper advertising offers no guaranteed results, yet school districts are required to advertise in them. School districts realize this may not result in sufficient bids so we choose to do more. This mandate is rooted in the past and fails to adapt to a very changed world that the Internet has created. Please provide school districts with relief from the continued escalating costs of newspaper advertisement and support House Bill 795 to allow for advertising legal notices on the Internet.

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PASBO is a statewide professional association with more than 2,000 active members who are K-12 school employees below the rank of superintendent. PASBO members support classroom learning and student achievement by providing many services required in the day-to-day operations of schools including: finance, accounting, purchasing, facility management, transportation, technology, food service, human resources and communication.



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### PASBO Supports Senate Bill 419, P.N. 420 (Robbins)

The Pennsylvania Association of School Business Officials (PASBO) is a statewide association with 2,000 active members who are K-12 school employees below the rank of superintendent. Our members support classroom learning and student achievement by providing many services required in the day-to-day operations of schools including: finance accounting, facility management, transportation, technology, etc.

Regarding posting legal advertisements on the Internet, section 807.1(a) of the Public School Code currently requires a school district that plans to purchase an item or service costing \$10,000 or more to undergo the bidding process by advertising twice in a newspaper, receiving sealed bids by vendors, and voting at a public meeting on the lowest bid.

Newspaper ad rates for notices required under section 807.1(a) of the Public School Code are costly. School districts can spend significant amounts of taxpayer dollars annually complying with this requirement. Moreover, the current newspaper requirement is outdated and fails to recognize current technology. School districts could see yearly savings in current advertising costs by utilizing electronic publication.

## Highlights of SB 419

If enacted, Senate Bill 419 would amend Title 45 (Legal Notices) by adding Chapter 4 (Electronic Publication of Legal Advertising). It would give municipalities, school districts and local authorities the option to electronically publish legal notices on the Internet in lieu of newspaper advertisement as currently required by law.

#### Benefits of SB 419

This legislation would be beneficial for school entities in that it would:

- Save taxpayer dollars and provide citizens with more convenient and immediate access to notices in their school districts.
- Enable taxpayers to follow how district revenues are spent.
- Expedite the advertising process.
- Result in financial savings from utilizing less expensive alternatives to newspaper advertisement rates.
- Indirectly benefit all of a school district's programs and students.

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Developing educational leaders in school operations