



Pennsylvania Association of School Business Officials

Legislative Action Alert

Taking care of the business of schools...everyday

Governor Signs Bid Limit Legislation

On November 3, Governor Tom Corbett signed into law the following bills amending various statutes dealing with purchasing by certain public entities, and making other changes.

Senate Bills 282, 285, 286, 290, 292, 295, 296

House Bills 278, 279, 284, 288, 289, 290, 291

Senate Bill 296 (Eichelberger), now Act 97 of 2011, amends the Public School Code by increasing the dollar amounts at which school entities must advertise and seek bids for purchases and contracts. The threshold increases from \$10,000 to \$18,500. Act 97 requires school entities to seek telephone quotes for purchases and contracts between \$10,000 and \$18,500. Any purchase a school district makes that costs less than \$10,000 will not be subject to the state's bidding and advertising requirements. In addition, school maintenance staff may perform work that costs less than \$10,000. Act 97 calls for annual changes to the bid limits based on changes in the Consumer Price Index, up to a 3 percent cap. Act 97 becomes effective January 1, 2013, by PASBO's reading of the legislation.

PASBO had previously urged Governor Corbett to sign this bill prior to November 1 so as to allow the new law to be effective on January 1, 2012. With an effective date of January 2013, the legislation will not provide immediate savings for schools, but it will nonetheless reduce school entities' costs in the years ahead.

PASBO sincerely appreciates Senator Eichelberger's recognition of the need for mandate relief for schools and his straightforward amendment to the School Code that precisely updates antiquated thresholds.

To read the full text of SB 296, [CLICK HERE](#).