## Fiscal Estimate - 2023 Session

☑ Original ☐ Updated	Correct	ed 🔲	Supplemental
LRB Number 23-4910/1	Introduction	on Number 📝	AB-0723
Description local government competitive bidding thresholds	and requiring school	districts to utilize c	ompetitive bidding
Fiscal Effect			
Appropriations Reve	ase Existing enues ease Existing enues	Increase Costs absorb within a Section 1997	□No
Permissive Mandatory Perm	ase Revenue issive Mandatory ease Revenue issive Mandatory	5.Types of Local G Units Affected Towns Counties School Districts	Government  Village Cities Others WTCS Districts
Fund Sources Affected  GPR FED PRO PRS	SEG SEGS	Affected Ch. 20 A	ppropriations
Agency/Prepared By	Authorized Signatu	re	Date
DPI/ Morgan Hau (608) 264-9559	  Erin Fath (608) 266-2804		12/12/2023

## Fiscal Estimate Narratives DPI 12/12/2023

LRB Number 23-4910/1	Introduction Number	AB-0723	Estimate Type	Original		
Description						
local government competitive bidding thresholds and requiring school districts to utilize competitive bidding						

## Assumptions Used in Arriving at Fiscal Estimate

Under current law, if the estimated cost of a public works project exceeds \$25,000, the state or local unit of government must solicit bids and award the public works contract to the lowest responsible bidder.

This bill increases the threshold for competitive bids for local units of government from \$25,000 to \$50,000.

This bill adds school districts, board of school directors and Milwaukee Public School districts to adhere to competitive bidding.

This bill has special considerations for Milwaukee Public Schools. It requires a school board and the board of school directs at MPS to comply with these bidding requirements if the cost exceeds \$150,000 and the contract is for construction, repair, remodeling, or improvement of a public school building or for the furnishing of supplies or materials.

It includes an exception to the bidding requirements that apply to school boards and the MPS board of school districts if it is determined that damage or potential damage to a public school building endangers the public health or welfare.

State Impact: No direct impact

This bill has no direct impact on state fiscal operations.

Local Impact: Indeterminate

Increasing the threshold for competitive bids for public school districts has an indeterminate effect, as it is unknown how many construction projects this will affect. Potential cost savings from the competitive bid process are unknown. This will have an indeterminate increase of administrative costs as it will cause school districts to have to advertise for bids on projects via allowable public notices.

## Long-Range Fiscal Implications

This bill has indeterminate long-term fiscal as the cost savings from competitive bidding is unknown and the increased costs associated with public notices is unknown.