

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 directors 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.