



This Bill Analysis reflects the contents of the bill as it was presented in committee.

# SENATE BILL 330: Change Orders on School Construction Projects

2015-2016 General Assembly

<b>Committee:</b>	Senate Finance	<b>Date:</b>	April 28, 2015
<b>Introduced by:</b>	Sens. McInnis, Tillman	<b>Prepared by:</b>	Heather Fennell Committee Counsel
<b>Analysis of:</b>	PCS to Second Edition S330-CSTD-24		

**SUMMARY:** The PCS Senate Bill 330 would allow a local school board to adopt a policy to allow a superintendent or the superintendent's designee to approved change orders on school construction projects in some instances, and provide a mechanism for approval by the chair of the local board of education or the chair's designee in certain instances such as health and safety issues or increased costs.

**CURRENT LAW:** A number of local boards of education have adopted policies regarding the approval of change orders on school construction projects and the authority of board employees to make change orders without the approval of the board. The threshold amount varies among the local boards of education throughout the State.

**BILL ANALYSIS:** The PCS for Senate Bill 330 would provide that school construction change orders must be approved by a local board of education, unless the board adopts a policy allowing the superintendent or the superintendent's designee to approve change orders up to the following amounts:

- For local school administrative units (LEAs) that have had an average of at least \$50,000,000 of school construction projects over the prior five years, the superintendent or the superintendent's designee can approve a change order of up to \$100,000 without local board approval.
- For LEAs that have had an average of less than \$50,000,000 of school construction projects over the prior five years, the superintendent or the superintendent's designee can approve a change order of up to \$25,000 without local board approval.

For change orders that require approval by the local board of education but must be approved before the next regularly scheduled board meeting because of (i) health or safety issues; (ii) delay of the project, or (iii) risk of increased cost, the chair of the local board, or the chair's designee from among the other board members, may approve the change. The change order must then be reported to the local board of education at the next regularly scheduled meeting. If the chair of the local board, or the chair's designee does not approve the change order, then a special board meeting must be called.

**EFFECTIVE DATE:** The bill would become effective October 1, 2015.

*Drupti Chauhan, counsel to Senate Education, substantially contributed to this summary.*

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