

OHIO AUDITOR OF STATE KEITH FABER



**Auditor of State
Bulletin 2025-009**

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TO: School Districts
Educational Service Centers
Independent Public Accountants

FROM: Keith Faber
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SUBJECT: Amendment of Ohio Rev. Code § 3313.46 – Clarification of
Competitive Bidding Requirements

Summary

Ohio House Bill 96 of the 136th General Assembly (State Operating Appropriations Bill), amended Ohio Rev. Code § 3313.46(A), effective September 30, 2025, by clarifying the scope of competitive bidding requirements for school districts and educational service centers (ESCs). Specifically, the statutory language was revised to clarify that competitive bidding is required for the building, repair, enlargement, improvement or demolition of “any building or other property.”

This change has a meaningful impact on how school districts and ESCs determine which projects are subject to statutory bidding procedures. Boards of Education of school districts and governing boards of ESCs must consider whether any contracts involving the building, repair, enlargement, improvement, or demolition of a district-owned building or property (not solely “any school building”) is subject to competitive bidding under Ohio Rev. Code § 3313.46. If the cost of the project exceeds the threshold established in Ohio Rev. Code § 9.17, then the contract must be offered in accordance with the requirements set forth in Ohio Rev. Code § 3313.46.

This bulletin applies to all Ohio school districts and ESCs subject to Ohio Rev. Code § 3313.46. It does not apply to community schools, STEM schools, or other entities that are not treated as school districts for purposes of Ohio Rev. Code § 3313.46.

Background

Prior to the amendment, Ohio Rev. Code § 3313.46(A) required school districts and ESCs to engage in competitive bidding when undertaking projects to build, repair, enlarge, improve, or demolish any school building when costs exceeded the statutory threshold. There were varying interpretations of what was understood to constitute “any school building” under this requirement.

House Bill 96 revises the statutory language to include “any building or other property,” clarifying the types of facilities and property that may now be subject to public bidding.

Key Language Change

Former Language:

*“...when any such board determines to build, repair, enlarge, improve, or demolish **any school building**...”*

Amended Language (effective September 30, 2025):

*“...when any such board determines to build, repair, enlarge, improve, or demolish **any building or other property**...”*

Practical Implications for School Districts and ESCs

As a result of this statutory amendment:

- Projects to build, repair, enlarge, improve, or demolish non-instructional buildings, such as administrative offices, bus garages, stadiums, concession buildings, maintenance facilities, or district-owned parcels, are now explicitly subject to the bidding requirements of Ohio Rev. Code § 3313.46 if the expected project cost exceeds the threshold in Ohio Rev. Code § 9.17.
- The cost threshold, which is adjusted annually by the Ohio Department of Commerce (<https://com.ohio.gov/divisions-and-programs/industrial-compliance/competitive-bidding-threshold/competitive-bidding-threshold>) currently stands at \$77,250 through December 31, 2025. This threshold amount is increased by three percent each calendar year and determined and published by the Director of Commerce. School districts and ESCs must ensure they apply this threshold to all contracts to build, repair, enlarge,

improve, or demolish district-owned buildings or property, not just buildings where student instruction occurs.

- Failure to properly bid projects under the statute could result in audit findings, legal challenges, or contracts being voided.
- School boards should review internal policies and procedures to ensure that capital improvement planning, legal review, and project contracting are updated to conform with the clarified definition.

Recommendations

1. Policy Review – Boards of Education should promptly review local policies, guidelines and procedures to comply with the new language in Ohio Rev. Code § 3313.46.
2. Legal Counsel Consultation – When questions arise about whether a project constitutes work on a “building or other property” school districts and ESCs are advised to consult their legal counsel for guidance prior to moving forward with the project.
3. Planning and Documentation – All procurement records, including advertisements, bids, estimates, resolutions, and contracts, should be retained and made available to auditors upon request.

Conclusion

The amendment to Ohio Rev. Code § 3313.46 ensures transparency and accountability across a range of capital improvements undertaken by school districts and ESCs. School officials are encouraged to review this change in consultation with their legal counsel and align contracting practices accordingly.

Questions concerning this bulletin should be directed to the Ohio Auditor of State’s Center for Audit Excellence (CFAE) at (800) 282-0370 or ContactUs@ohioauditor.gov.



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