California Department of Education
Official Letter

December 8, 2025

Dear County and District Superintendents, County and District Chief Business Officials, and Charter School Administrators:

Annual Adjustment to Bid Threshold for Contracts Awarded by School Districts

Public Contract Code (*PCC*) Section 20111(a) requires school district governing boards to competitively bid and award any contracts involving an expenditure of more than $50,000, adjusted for inflation, to the lowest responsible bidder. Contracts subject to competitive bidding include:

1. Purchase of equipment, materials, or supplies to be furnished, sold, or leased to the school district.

2. Services that are not construction services.

3. Repairs, including maintenance as defined in *PCC* Section 20115, that are not public projects as defined in *PCC* Section 22002(c).

The State Superintendent of Public Instruction (State Superintendent) is required to annually adjust the $50,000 amount specified in *PCC* Section 20111(a) to reflect the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce, Bureau of Economic Analyst (BEA) for the 12-month period ending in the prior fiscal year. The inflation adjustment is rounded to the nearest one hundred dollars ($100).

Pursuant to the above calculation, and effective January 1, 2026, the State Superintendent has determined that the inflation adjusted bid threshold will increase from $114,800 to $119,100. Shown below are the inflation adjusted bid thresholds for the current and two prior years.

Calendar Year	Bid Threshold	Percentage Change in Implicit Price Deflator
2024	$114,500	4.79%
2025	$114,800	0.259%
2026	$119,100	3.772%

Also note that public projects as defined in *PCC* Section 22002(c), such as construction or reconstruction of publicly owned facilities, have a lower bid threshold of $15,000 that is not adjusted for inflation. For more information on bidding requirements for all projects, refer to *PCC* sections 20110 to 20118.4.

This letter is posted on the Office of Financial Accountability and Information Services Correspondence web page at https://www.cde.ca.gov/fg/ac/co/.

If you have questions regarding this matter, please contact the Office of Financial Accountability and Information Services by email at sacsinfo@cde.ca.gov.

Sincerely,

Masha Lutsuk, Administrator
Financial Accountability and Information Services
School Fiscal Services Division
ML:hvt

Last Reviewed: Monday, December 08, 2025