



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING


GRETCHEN WHITMER
GOVERNOR

MICHAEL F. RICE, Ph.D.
STATE SUPERINTENDENT

MEMORANDUM

DATE: October 26, 2023

TO: Local and Intermediate School District Superintendents
Public School Academy Directors

FROM: Dr. Diane L. Golzynski, Deputy Superintendent 
Finance and Operations

SUBJECT: FY 2023-24 Thresholds for Competitive Bids, Posting Travel Expenses,
and Value of Awards

The Michigan Department of Education (MDE) is providing updated information on statutory requirements that determine thresholds for competitive bids, travel expenses, and the value of awards.

Sections 623a, 1267, and 1274 (MCLs [380.623a](#), [380.1267](#), and [380.1274](#)) of Michigan's Revised School Code establish a base above which competitive bids must be obtained for school construction projects (including renovation, repair, or remodeling) and procurement of supplies, materials, and equipment. The state laws also provide for an increase in the base amount corresponding to increases in the Consumer Price Index (CPI). The fiscal year 2023-2024 base amount for Section 1267 (pertaining to construction, renovation, repair, or remodeling) and the new base for Sections 623a and 1274 (pertaining to procurement of supplies, materials, and equipment) are each \$29,572.

Section 620(1) of the Revised School Code (MCL [380.620\(1\)](#)) establishes a base above which travel expenses paid with Intermediate School District (ISD) funds must be posted to the ISD website. Section 620(1) provides for an increase in the base that corresponds with increases in the CPI. For fiscal year 2023-2024, the base amount of \$4,591 for travel increases by \$250 to \$4,841.

There are changes to the limits on the value of awards given by an ISD to an employee, volunteer, or pupil, as well as the value above which an ISD administrator may not accept a gift from a vendor or potential vendor. Section 634 of the Revised School Code (MCL [380.634](#)) places an upper limit on the value of awards given by an ISD to an employee, volunteer, or pupil, as well as the value above which an ISD administrator may not accept a gift from a vendor or

STATE BOARD OF EDUCATION

PAMELA PUGH – PRESIDENT • ELLEN COGEN LIPTON / TIFFANY D. TILLEY – CO-VICE PRESIDENTS
JUDITH PRITCHETT – SECRETARY • MARSHALL BULLOCK II – TREASURER
MITCHELL ROBINSON – NASBE DELEGATE • TOM MCMILLIN • NIKKI SNYDER

potential vendor. The fiscal year 2022-2023 cap of \$160 for awards increases to \$169 for 2023-24, and the cap of \$69 for gifts increases to \$73 due to the increase in the average CPI.

Please note that all the thresholds and caps mentioned in this communication are effective as of October 26, 2023, and are in effect until the next communication revises them. A chart is provided below that summarizes the new amounts, requirements, and sections of the Revised School Code to which they pertain.

If you have any questions, please contact Phil Boone in MDE's Office of State Aid and School Finance, at 517-899-0796 or boonep2@michigan.gov.

	Section	Requirement	Base Amount	2005-06 Base	2022-2023 Thresholds	2023-2024 Thresholds
ISD Travel expenditures	620	Posting	\$ 3,000	\$ 3,093	\$ 4,591	\$4,841
ISD Procurement of supplies, materials, and equipment	623a	Comp. Bid	\$ 17,932	\$ 18,489	\$ 28,048	\$29,572
ISD Award value limit	634, 1814	Award Cap	\$ 100	\$ 105	\$ 160	\$169
ISD Gift value limit (monthly)	634	Gift Cap	\$ 44	\$ 46	\$ 69	\$73
School building construction, addition, renovation, or repair	1267	Comp. Bid	\$ 17,932	\$ 18,915	\$ 28,048	\$29,572
School District or PSA Procurement of supplies, materials, and equipment	1274	Comp. Bid	\$ 17,932	\$ 18,489	\$ 28,048	\$29,572

cc: Michigan Education Alliance
 Confederation of Michigan Tribal Education Departments