



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

GRETCHEN WHITMER
GOVERNOR

MICHAEL F. RICE, Ph.D.
STATE SUPERINTENDENT

MEMORANDUM

DATE: October 6, 2022

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

FROM: Kyle L. Guerrant, Deputy Superintendent *KG*
Finance and Operations

SUBJECT: FY 2022-23 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 laws also provide for an increase in the base amount corresponding to increases in the Consumer Price Index (CPI). The fiscal year 2022-2023 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 \$28,048.

Our analysis shows that the average CPI for the 12-month period ending August 31, 2021, was \$265.45. The similar average for the 12-month period ending August 31, 2022, was \$285.85, a percentage increase of just under 7.7%. Therefore, the fiscal year 2021-2022 base of \$26,046 for Sections 623a, 1267, and 1274 items increases by \$2,002 to \$28,048 for fiscal year 2022-2023.

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 2022-2023, the base amount of \$4,263 for travel increases by \$328 to \$4,591.

STATE BOARD OF EDUCATION

CASANDRA E. ULBRICH – PRESIDENT • PAMELA PUGH – VICE PRESIDENT
TIFFANY D. TILLEY – SECRETARY • TOM MCMILLIN – TREASURER
JUDITH PRITCHETT – NASBE DELEGATE
ELLEN COGEN LIPTON • NIKKI SNYDER

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 potential vendor. The fiscal year 2021-2022 cap of \$148 for awards increases to \$160 for 2022-23, and the cap of \$64 for gifts increases to \$69 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 6, 2022, 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, Office of State Aid and School Finance, at 517-899-0796 or boonep2@michigan.gov.

	Section	Requirement	Base Amount	2005-06 Base	2021-2022 Thresholds	2022-2023 Thresholds
ISD Travel expenditures	620	Posting	\$3,000	\$3,093	\$4,263	\$4,591
ISD Procurement of supplies, materials, and equipment	623a	Comp. Bid	\$17,932	\$18,489	\$26,046	\$28,048
ISD Award value limit	634, 1814	Award Cap	\$100	\$105	\$148	\$160
ISD Gift value limit (monthly)	634	Gift Cap	\$44	\$46	\$64	\$69
School building construction, addition, renovation, or repair	1267	Comp. Bid	\$17,932	\$18,915	\$26,046	\$28,048
School District or PSA Procurement of supplies, materials, and equipment	1274	Comp. Bid	\$17,932	\$18,489	\$26,046	\$28,048

cc: Michigan Education Alliance
 Confederation of Michigan Tribal Education Departments