



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING


GRETCHEN WHITMER
GOVERNOR

MICHAEL F. RICE, Ph.D.
STATE SUPERINTENDENT

MEMORANDUM

DATE: October 2, 2025

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

FROM: Dr. Diane Golzynski, RDN, SNS Deputy Superintendent 
Division of Business, Health, and Library Services

SUBJECT: FY 2026 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). For fiscal year 2026, which began this week on Wednesday, October 1, the 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 \$31,321.

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 2026, the base amount of \$4,995 for travel increases to \$5,128.

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

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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 2024-25 cap of \$175 for awards increases to \$180 for fiscal year 2026, and the cap of \$76 for gifts increases to \$79 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 2, 2025, and are in effect until the next communication revises them. A chart below 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, MDE Office of State Aid and School Finance, at 517-899-0796 or BooneP2@Michigan.gov.

	Section	Requirement	Base Amount	FY 2026 Base	FY 2025 Thresholds	FY 2026 Thresholds
ISD travel expenditures	620	Posting	\$ 3,000	\$ 3,093	\$ 4,995	\$ 5,128
ISD procurement of supplies, materials, and equipment	623a	Competitive Bid	\$ 17,932	\$ 18,489	\$ 30,512	\$ 31,321
ISD award value limit	634, 1814	Award Cap	\$ 100	\$ 105	\$ 175	\$ 180
ISD gift value limit (monthly)	634	Gift Cap	\$ 44	\$ 46	\$ 76	\$ 79
School building construction, addition, renovation, or repair	1267	Competitive Bid	\$ 17,932	\$ 18,915	\$ 30,512	\$ 31,321
School district or PSA procurement of supplies, materials, and equipment	1274	Competitive Bid	\$ 17,932	\$ 18,489	\$ 30,512	\$ 31,321

cc: Michigan Education Alliance
Confederation of Michigan Tribal Education Departments