



East Lansing Board of Education

509 Burcham Drive, East Lansing, MI 48823

Items of Information
October 28, 2024 - 7:00 PM
Board Room
509 Burcham Drive
East Lansing, Michigan 48823

Agenda

I. Future Action

- A. Competitive Bid Threshold
- B. 2024-25 Tuition Rates



Respectfully Submitted,

Dori Leyko
Superintendent



East Lansing
Public Schools

MEMORANDUM

TO: ELPS Board of Education, Dori Leyko, Superintendent

FROM: Richard Pugh, Director of Finance & Operations

SUBJECT: Informational Item – Competitive Bid Threshold

DATE: October 11, 2024

Background:

Annually the State of Michigan updates the base amount for which competitive bids must be obtained per sections 623a and 1274 (pertaining to procurement of supplies, materials, and equipment) and 1267 (pertaining to construction, renovation, repair, or remodeling) of the Revised School Code. Effective October 10, 2024 the competitive bid threshold, as defined by the State of Michigan, is \$30,512.

Attached is the letter from the State of Michigan that communicates the competitive bid threshold. Administrators have received this communication as well.



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

GRETCHEN WHITMER
GOVERNOR

MICHAEL F. RICE, Ph.D.
STATE SUPERINTENDENT

MEMORANDUM

DATE: October 10, 2024
TO: Local and Intermediate School District Superintendents
Public School Academy Directors
FROM: Dr. Diane Golzynski, Deputy Superintendent, Division of Business, Health, and Library Services 
SUBJECT: FY 2024-25 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 2024-25 base amounts 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 \$30,512.

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 2024-25, the base amount that was \$4,841 for travel increases to \$4,995.

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 2023-24 cap of \$169 for awards increases to \$175 for 2024-25, and the cap of \$73 for gifts increases to \$76 due to the increase in the average CPI.

Please note that all thresholds and caps mentioned in this communication are effective October 10, 2024, and 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, Office of State Aid and School Finance, at 517-899-0796 or boonep2@michigan.gov.

	Section	Requirement	Base Amount	2005-06 Base	2023-2024 Thresholds	2024-2025 Thresholds
ISD Travel expenditures	620	Posting	\$ 3,000	\$ 3,093	\$4,841	\$4,995
ISD Procurement of supplies, materials, and equipment	623a	Comp. Bid	\$ 17,932	\$ 18,489	\$29,572	\$30,512
ISD Award value limit	634, 1814	Award Cap	\$ 100	\$ 105	\$169	\$175
ISD Gift value limit (monthly)	634	Gift Cap	\$ 44	\$ 46	\$73	\$76
School building construction, addition, renovation, or repair	1267	Comp. Bid	\$ 17,932	\$ 18,915	\$29,572	\$30,512
School District or PSA Procurement of supplies, materials, and equipment	1274	Comp. Bid	\$ 17,932	\$ 18,489	\$29,572	\$30,512

cc: Michigan Education Alliance
 Confederation of Michigan Tribal Education Departments



East Lansing
Public Schools

MEMORANDUM

TO: ELPS Board of Education, Dori Leyko, Superintendent

FROM: Richard Pugh, Director of Finance & Operations

SUBJECT: Informational Item – 2024-25 Tuition Rates

DATE: October 18, 2024

Background:

Each year the Board of Education is required to determine tuition rates per Section 380.1401 of the Revised School Code. This generally coincides with the completion of the annual audited financial statements as operating costs of the preceding fiscal year are used in the calculation of tuition rates. **Tuition rates only apply to non-resident students wanting to attend the District outside of the School of Choice rules.** Example: the District has 10 slots for 6th grade and has 8 SOC applications and fills all 8 slots. After the close of the SOC process one non-resident student applies to attend the District as a tuition student. Note had the District originally filled all 10 slots via SOC and also had a waiting list for this grade it would not accept a tuition student for this grade.

The District rarely accepts a tuition student (only one over the last 15 fiscal years). Attached is the calculation of the 2024-25 tuition rates.

EAST LANSING PUBLIC SCHOOLS
2024-25 TUITION RATES for NON-RESIDENT PUPILS ONLY
(Based on ELPS 2023-24 FID Report)

Total 2023-24 General Fund expenditures per FID report		\$ 55,909,573
Less Summer School (119)	(283,174)	
Less Transportation (271)	(1,794,048)	
Less Community Services (3xx)	(31,294)	
Less Payment to Other Public Schools in MI (8xxx)	(2,528,405)	
Less Debt Services (5xx)	(106,425)	
Less Fund Modification (6xx)	-	
Less Capital Outlay (6xxx)	(490,713)	(5,234,059)
Total adjusted 2023-24 General Fund expenditures		<u>50,675,514</u>
Divided by 2023-24 State Aid Membership, per August 2024		<u>3,694.49</u>
Net per capita operating cost		<u><u>\$ 13,716.51</u></u>

1. Tuition grades K-6:

Per capita cost		\$ 13,716.51
Plus 25% of per capita cost		<u>3,429.13</u>
Maximum allowable for Kindergarten through 6th Grade		17,145.64
[17,145.64 / 1,098 = 15.62 per hour (K-6)]		
Less Foundation Allowance per pupil (Legislated amount for 2024-25)		<u>(9,608.00) ¹</u>
Tuition Amount for Grades K-6		<u><u>\$ 7,537.64</u></u>

2. Tuition grades 7-12:

Per capita cost		\$ 13,716.51
Plus 15% of per capita cost		<u>2,057.48</u>
Plus 12.5% of total		<u>1,971.75</u>
Maximum allowable for 7th through 12th Grade		17,745.74
[17,745.74 / 1,098 = 16.16 per hour (7-12)]		
Less Foundation Allowance per pupil (Legislated amount for 2024-25)		<u>(9,608.00) ¹</u>
Tuition Amount for Grades 7-12		<u><u>\$ 8,137.74</u></u>

1 - Attorney General's opinion states that if a release from the resident district is obtained, the "educating district must deduct the higher of the resident district's foundation allowance or the educating district's foundation allowance." The amount listed is ELPS foundation (\$9,608) and would be replaced with the resident district's foundation if greater than ELPS.

Note - Non-Resident tuition formula per The Revised School Code section 380.1401.