



Senate Fiscal Agency  
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BILL ANALYSIS

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House Bill 6365 (Substitute S-2 as reported)  
House Bill 6366 (Substitute S-1 as reported)  
Sponsor: Representative Lee Gonzales (H.B. 6365)  
Representative Geoff Hansen (H.B. 6366)  
House Committee: Agriculture  
Senate Committee: Agriculture

### **CONTENT**

The bills would amend the Revised School Code to permit a school district, intermediate school district (ISD), or public school academy (PSA) to purchase food without obtaining competitive bids, if the transaction cost less than \$100,000.

House Bill 6365 (S-2) would apply to a school district or PSA; House Bill 6366 (S-1) would apply to an ISD.

Currently, a school district, ISD, or PSA may not purchase an item or group of items in a single transaction costing \$20,102 or more, unless competitive bids are obtained for the items and the purchase is approved by the school board or board of directors. (The statutory amount must be adjusted annually based on the average consumer price index.)

MCL 380.1274 (H.B. 6365)  
380.623a (H.B. 6366)

Legislative Analyst: Curtis Walker

### **FISCAL IMPACT**

The fiscal impact of these bills on local school districts, public school academies, and intermediate districts is indeterminate. Allowing these entities to forego competitive bidding for purchases of food except in a single transaction over \$100,000 could increase purchasing flexibility, and potentially result in savings, or could result in higher costs without the use of the competitive bid process.

Date Completed: 11-14-08

Fiscal Analyst: Kathryn Summers-Coty