



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 5753 (as passed by the House)
Sponsor: Representative Amanda Price
House Committee: Education
Senate Committee: Education

Date Completed: 11-29-16

CONTENT

The bill would amend the Revised School Code to eliminate the condition that a pupil be a person for whom a district is eligible to receive State school aid for transportation, in order for the district to be required to provide transportation to the pupil.

Under the Code, except as otherwise provided, the board of a school district that provides transportation for its resident pupils, other than students with a disability, or other pupils who cannot safely walk to school, must provide transportation for each resident public or nonpublic school pupil if all of the following requirements are met:

- The school district provides transportation for the elementary school level, middle or junior high school level, or high school level, as defined by the local school board, in which the pupil is enrolled.
- The pupil is a person for whom the district is eligible to receive State school aid for transportation.
- The pupil attends either the public or nearest State-approved nonpublic school in the district to which he or she is eligible to be admitted.

The bill would eliminate the requirement that the pupil be a person for whom the district is eligible to receive State school aid for transportation.

MCL 380.1321

BACKGROUND

Article VIII, Section 2 of the Michigan Constitution requires the Legislature to maintain and support a public elementary and secondary school system. No public money or property may be appropriated by the Legislature to aid, directly or indirectly, any private, denominational, or nonpublic school; however, the Legislature may provide for the transportation of students to and from any school.

Proposal A, approved by the voters in 1994, modified the funding mechanism for Michigan schools. Previously, property taxes were used as the primary funding source for schools. Districts received "general purpose aid" through a formula that guaranteed each district a minimum return per pupil for each mill of property tax levied. Districts also received "categorical aid" that funded special programs and services, including transportation. Under Proposal A, funding for school operations was shifted to State funds, including revenue from the income tax, the sales tax, the State Education Tax, and the real estate transfer tax.

Districts now receive a per-pupil foundation allowance based on the number of pupils enrolled. While districts continue to receive some categorical funding, many of the categorical funds, including those for transportation, were incorporated into the foundation allowance.

Section 76 of the State School Aid Act specifies that if a district received money for transportation before Proposal A, the district must use funding as calculated under Section 20 (its foundation allowance) to fund transportation for nonpublic school students.

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have no fiscal impact on the State and likely would have no fiscal impact on local government. The bill would codify an administrative rule (R. 340.281), which was modified in 2012, and would not make any changes to the operation of the Department of Education or the School Aid budget. Local units of government would likely not experience a fiscal impact from this bill; only those districts that have not implemented the administrative rule could have potential costs associated with the bill. Since the State does not collect information on which districts have implemented the rule, it is not possible to know whether any districts would incur additional costs associated with the transportation of nonpublic students.

Fiscal Analyst: Cory Savino