

SENATE BILL NO. 42

January 25, 2023, Introduced by Senators HOITENGA, BUMSTEAD, OUTMAN, HAUCK, LAUWERS and DAMOOSE and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
(MCL 388.1601 to 388.1896) by adding section 22e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 22e. (1) In addition to the appropriations in section 11,
2 there is appropriated from the state school aid fund an amount not
3 to exceed \$50,000,000.00 for 2022-2023 to reimburse eligible
4 districts for transportation costs.

5 (2) A district with fewer than 20.0 pupils per square mile, as
6 determined by the department, is an eligible district under this

1 section.

2 (3) The department shall provide payments to eligible
3 districts under this section as follows:

4 (a) An amount equal to \$250.00 per pupil to eligible districts
5 with fewer than 10.0 pupils per square mile, as determined by the
6 department.

7 (b) An amount equal to \$200.00 per pupil to eligible districts
8 with at least 10.0 but fewer than 15.0 pupils per square mile, as
9 determined by the department.

10 (c) An amount equal to \$150.00 per pupil to eligible districts
11 with at least 15.0 but fewer than 20.0 pupils per square mile, as
12 determined by the department.

13 (4) If the total funding allocated under this section is not
14 sufficient to fully fund payments as calculated under this section,
15 the department shall prorate payments to eligible districts on an
16 equal percentage basis.

17 (5) Notwithstanding section 17b, the department shall make
18 payments to eligible districts under this section on a schedule
19 determined by the department.

20 (6) The department, in collaboration with the state budget
21 office, shall prepare a report on rural district transportation
22 funding and shall submit the report to the senate and house
23 appropriations committees by not later than January 1, 2024. The
24 report must include all of the following information:

25 (a) A description of the unique and extenuating circumstances
26 rural districts face in providing all students within their
27 district with equitable transportation services.

28 (b) The main factors driving transportation costs for rural
29 districts.

1 (c) The transportation costs of all districts.

2 (d) A breakdown of the per-pupil transportation cost for all

3 districts.