



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1046 (as passed by the Senate)
Sponsor: Senator Patrick J. Colbeck
Committee: Education

Date Completed: 11-16-16

RATIONALE

The Revised School Code specifies, among other things, the powers and duties of boards of education, including the transportation of public and nonpublic school pupils to and from school. The Code requires the board of a school district, if it provides transportation, to transport resident public and nonpublic school pupils if certain conditions are met. There appears to be some inconsistency, however, between the conditions that must be satisfied under the Code, and what is required by administrative rule, the State School Aid Act, and current school funding practices. Apparently, this has caused confusion for school districts and the families of pupils attending nonpublic schools. Accordingly, it has been suggested that the inconsistent provision in the Code be removed.

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.

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Students in public and nonpublic schools should have equal access to transportation to and from their schools. When Proposal A was approved in 1994, the categorical line item for transportation in the School Aid budget was eliminated, while the statutory requirement that transportation be provided to nonpublic school students was retained. Currently, other provisions of the Revised School Code as well as the Department of Education's administrative rules reflect the practice of transporting nonpublic school students; however, Section 1321 of the Code does not. Since there is no longer a transportation categorical line item, the section's provision requiring that a student be a person for whom the district is eligible to receive State school aid for transportation, in order to be transported to and from school, has created confusion regarding the eligibility of nonpublic students to receive transportation services. This confusion could cause disruptions to the families of nonpublic school students who rely on district-provided transportation to and from school.

The bill would remove the inconsistent provision to codify current practice. The Michigan Constitution allows public money to be spent to transport pupils attending nonpublic schools, and the statute should reflect that in order to avoid cost and inconvenience to families of 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

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.