

## **PUBLIC FUNDS FOR TRANSPORT OF NONPUBLIC SCHOOL STUDENTS**

Phone: (517) 373-8080  
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**House Bill 5753 with proposed amendment**  
**Sponsor: Rep. Amanda Price**  
**Committee: Education**  
**Complete to 9-7-16**

Analysis available at  
<http://www.legislature.mi.gov>

### **SUMMARY:**

House Bill 5753 would amend the Revised School Code to remove one of the three requirements which must be met before a school district may provide transportation for a nonpublic school student.

Currently, the Code lists three requirements which must be met in order for the school district to provide transportation for the student in question:

- The district provides transportation to the school level in which the pupil is enrolled.
- *The pupil is a person for whom the school district is eligible to receive state school aid for transportation.*
- The pupil is attending either a public or state-approved nonpublic school in the district to which the pupil is eligible to be admitted.

The bill would remove the italicized requirement, but retain the other two. As described below, this change is codifying standard practice, because Section 76 of the School Aid Act requires that schools which received funds for transportation prior to 1993-1994 must pay for the transportation of nonpublic school pupils out of their foundation allowance.

The bill would take effect 90 days after enactment.

MCL 380.1321

### **BACKGROUND:**

Article VIII, Section 2 of the Michigan Constitution of 1963, which enumerates the prohibited aid to nonpublic schools, provides that *"The legislature may provide for the transportation of students to and from any school."*

Public Act 145 of 1993, along with accompanying statutory revisions, better known as Proposal A, changed the funding model for Michigan schools. Prior to that time, local property taxes were the primary funding source used to fund schools, with the funding for districts varying widely. Proposal A shifted the primary funding source to state funds. The School Aid Fund (SAF), which prior to Proposal A had been disbursed through a tax equal yield formula along with categorical funding for specific costs, after Proposal A was primarily disbursed through the per-pupil "foundation allowance" to each school district

based on the number of pupils enrolled. Many of the categorical funds, including those for transportation, were rolled into district foundation allowances.

Public Act 130 of 1995 provided that if a district received money for (non-special education) transportation before Proposal A, the district must use the foundation allowance (calculated yearly and enumerated in Section 20 of the State School Aid Act) as the funding for transporting nonpublic school students after that time. That provision, Section 76 of the State School Aid Act, follows:

*If a district received money in 1993-94 attributable to nonspecial education transportation under former section 71 and that money was included in calculating the district's combined state and local revenue per membership pupil in 1993-94 under section 20(21), as that section was in effect for 1994-95, then the district shall use funding as calculated under section 20 as the funding for transporting nonpublic school students as required under section 1321 of the revised school code, MCL 380.1321.*

The following report provides additional information on funding for nonpublic school pupils in Michigan:

Citizens Research Counsel of Michigan, *State Support of Nonpublic School Students*, CRC Memorandum, No 1126, January 2014

[http://cremich.org/PUBLICAT/2010s/2014/state\\_support\\_nonpublic\\_students-2014.pdf](http://cremich.org/PUBLICAT/2010s/2014/state_support_nonpublic_students-2014.pdf)

## **FISCAL IMPACT**

The bill would have no fiscal impact on the State or local school districts. Since Proposal A rolled transportation funding into foundation allowances, districts are expected to provide transportation to nonpublic students with their foundation allowance funds under Section 76 of the School Aid Act.

Legislative Analyst: Jenny McInerney  
Fiscal Analysts: Bethany Wicksall  
Samuel Christensen

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