

Legislative Analysis



SPECIAL EDUCATION TRANSPORTATION

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Senate Bill 866

Sponsor: Sen. Jud Gilbert, II
House Committee: Education
Senate Committee: Education

Complete to 3-13-06

A SUMMARY OF SENATE BILL 866 AS PASSED BY THE SENATE 2-7-06

The bill would amend the State School Aid Act to allow an intermediate school district that purchased a special education transportation service from a constituent district to continue to report those transportation costs to the state for reimbursement, and to require the Department of Education to remove that amount from the costs reported by the constituent district.

Under the bill, beginning with calculations for 2004-2005, if an ISD purchased a special education pupil transportation service from a constituent district at a lower cost, adjusted for changes in fuel costs, than the cost of the service when previously purchased from a private entity, and if the cost shift from the ISD to the constituent district did not result in any net change in the revenue that the constituent district received under Sections 22b and 51c of the act, then upon request the department would have to direct the ISD to continue to report the cost associated with the special education pupil transportation service, and would have to adjust the costs reported by the constituent district to remove the cost associated with that specific service.

(Section 22b includes a special education hold harmless provision that requires the state to maintain special education funding at or above the FY 1997-98 level. Districts whose special education funding under Proposal A is below the 1997-98 level receive a supplemental payment under Section 22b to bring their funding up to the 1997-98 level. Section 51c provides for the reimbursement of a portion of the costs of special education and special education transportation as required under Durant, et al. v State of Michigan.)

MCL 388.1651

FISCAL IMPACT:

State Impact: As compared with current law the school aid budget would see an increase cost for special education services of about \$46,000, assuming the ISD continues to use the services of the constituent school district. However, if you compare the changes in the bill with State's special education reimbursement cost if the ISD returned to using a private contractor, the savings to the State is about \$34,000.

Local Impact: The ISD impacted by the change in law would see about \$46,000 more in special education revenue compared to current law.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.