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Senate Bills 1017 and 1018 (as introduced 2-25-04)
Sponsor: Senator Bob Emerson
Committee: Appropriations

Date Completed: 3-1-04

CONTENT

Senate Bills 1017 and 1018 would amend Public Act 369 of 1974, which regulates driver training schools, and the Michigan Vehicle Code, respectively, to transfer the responsibility for the administration of the driver education program from the Department of Education to the Department of State. The bills would also eliminate the Driver Education Fund, redirect funding from the Driver Education Fund to the Traffic Law Enforcement and Safety Fund, and eliminate driver education grants. Senate Bill 1017 would repeal Public Act 369 on October 1, 2006.

The revenue sources for the Driver Education Fund include a \$4 earmarking from driver and chauffeur license (original and renewal) fees, \$2 from two-year licenses, and after the deduction of administrative costs, the balance of driver school and driver instructor fee revenue.

The bills are tie-barred.

MCL 256.601 et al. (S.B. 1017)
MCL 257.306 et al. (S.B. 1018)

BACKGROUND

Executive Order 2003-23 eliminated funding to school districts for driver's education grants effective January 2004 for fiscal year (FY) 2003-04. The Governor proposed using the \$6.1 million savings resulting from the elimination of driver education grants to offset Executive Order reductions to the Department of State Police. Public Act 237 of 2003 (FY 2003-04 supplemental appropriations) appropriated \$6.1 million to the Department of State Police from the Traffic Law Enforcement and Safety Fund based on Executive Order 2003-23.

FISCAL IMPACT

Revenue deposited in the Driver Education Fund in FY 2002-03 totaled \$7.6 million. The Governor's FY 2004-05 budget recommendation for the Department of State Police includes funding from the Traffic Law Enforcement and Safety Fund based on the proposed statutory changes that would redirect funding from the Driver Education Fund to the Traffic Law Enforcement and Safety Fund. The Governor's FY 2004-05 budget recommendation for the Department of State includes 2.0 FTEs and \$528,000 (from driver fee revenue) to support the administration costs of the Driver Education Program.

Fiscal Analyst: Bill Bowerman

s1017/s0304

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.