

Legislative Analysis



Transfer of Driver Education Program

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Senate Bills 1017 and 1018 As Passed the Senate

Sponsor: Senator Robert Emerson

Committee: Appropriations

First Analysis (03/15/04)

BRIEF SUMMARY: Senate Bill 1017 would amend 1974 PA 369, which regulates driver training schools, and Senate Bill 1018 would amend the Michigan Vehicle Code, to transfer responsibility for administration of the driver education program from the Department of Education to the Department of State. The bills would eliminate the Driver Education Fund, redirecting revenue to the newly created Traffic Law Enforcement and Safety Fund. Revenue in the Fund is derived from fees which include a \$4.00 earmarking from driver and chauffeur license fees (original and renewal), \$2.00 from two-year licenses, and the balance of driver school and driver instructor fee revenue after administrative costs are deducted. The bills would eliminate driver education grants and 1974 PA 369 would be repealed on October 1, 2006. SB 1017 and SB 1018 are tie-barred.

FISCAL IMPACT: In FY 2003, there was \$7.6 million deposited into the Driver Education Fund. It is estimated that these bills would save the state \$6.1 million in GF/GP in FY 2004 and \$1.5 million in FY 2005. The FY 2005 Executive recommendation includes fee revenue in the Department of State Police budget, offsetting the need for GF/GP, based on the proposed statutory changes. The FY 2005 Department of State budget includes 2.0 FTE positions and \$528,000 from driver fee revenues for administration costs of the Driver Education program.

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