



Background Briefing

DEPARTMENT OF STATE

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December 2012

The fiscal information in this background briefing is based on data through December 31, 2012.

Department of State

- **Implements policies of the Secretary of State, an elected official who serves a four-year term of office**

- **Administers programs in four major areas:**
 - ***Motor vehicle transactions:* license drivers and title and register automobiles, watercraft, and recreational vehicles**

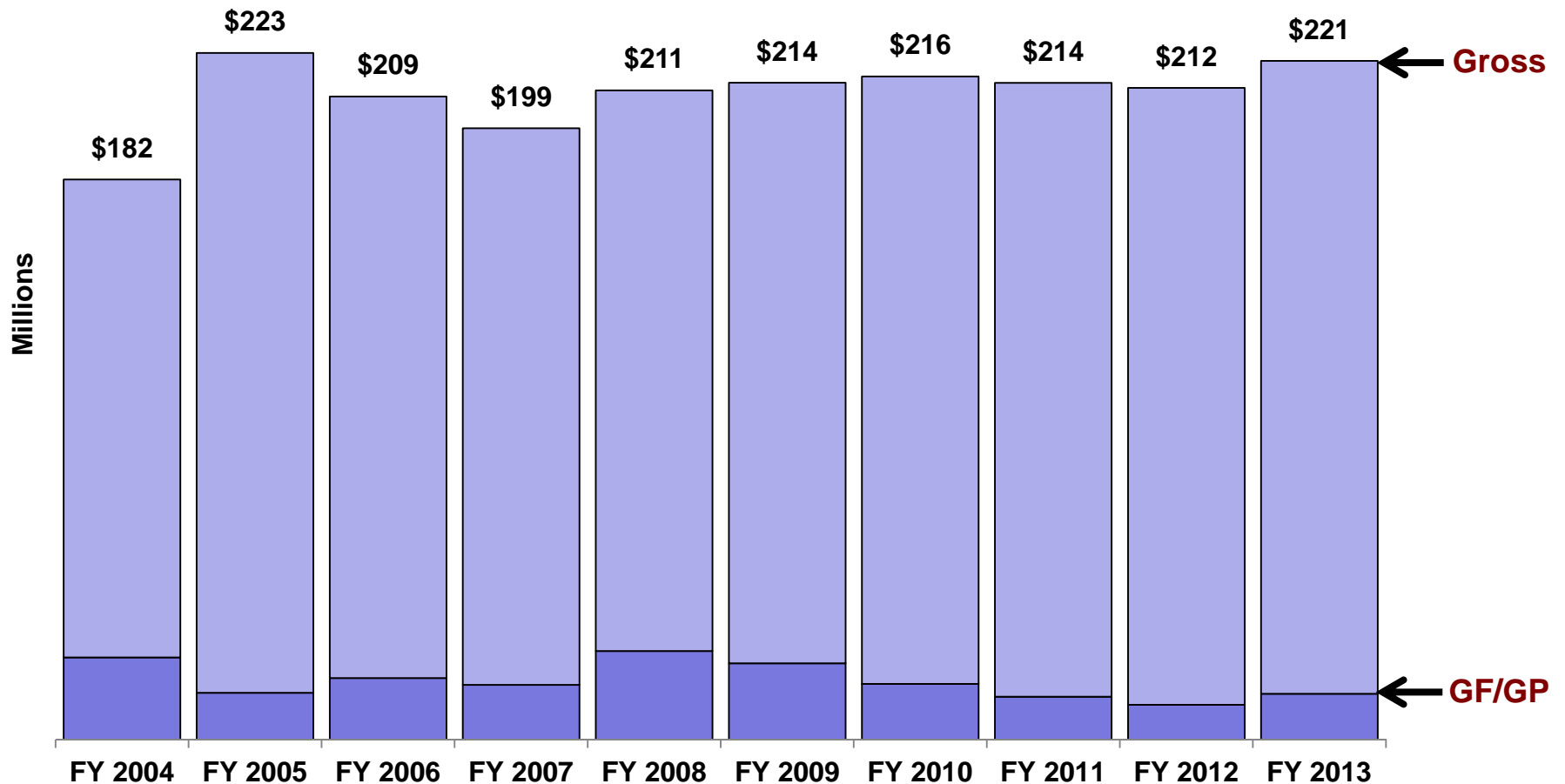
 - ***Traffic safety:* test drivers for ability and suspend license privileges when laws are broken or incompetence is judged**

 - ***Consumer protection:* inspect, license, and regulate automobile dealers and repair facilities**

 - ***Regulate/administer state's electoral process:* train local election officials and monitor campaign finance**

Department of State: Gross Appropriations

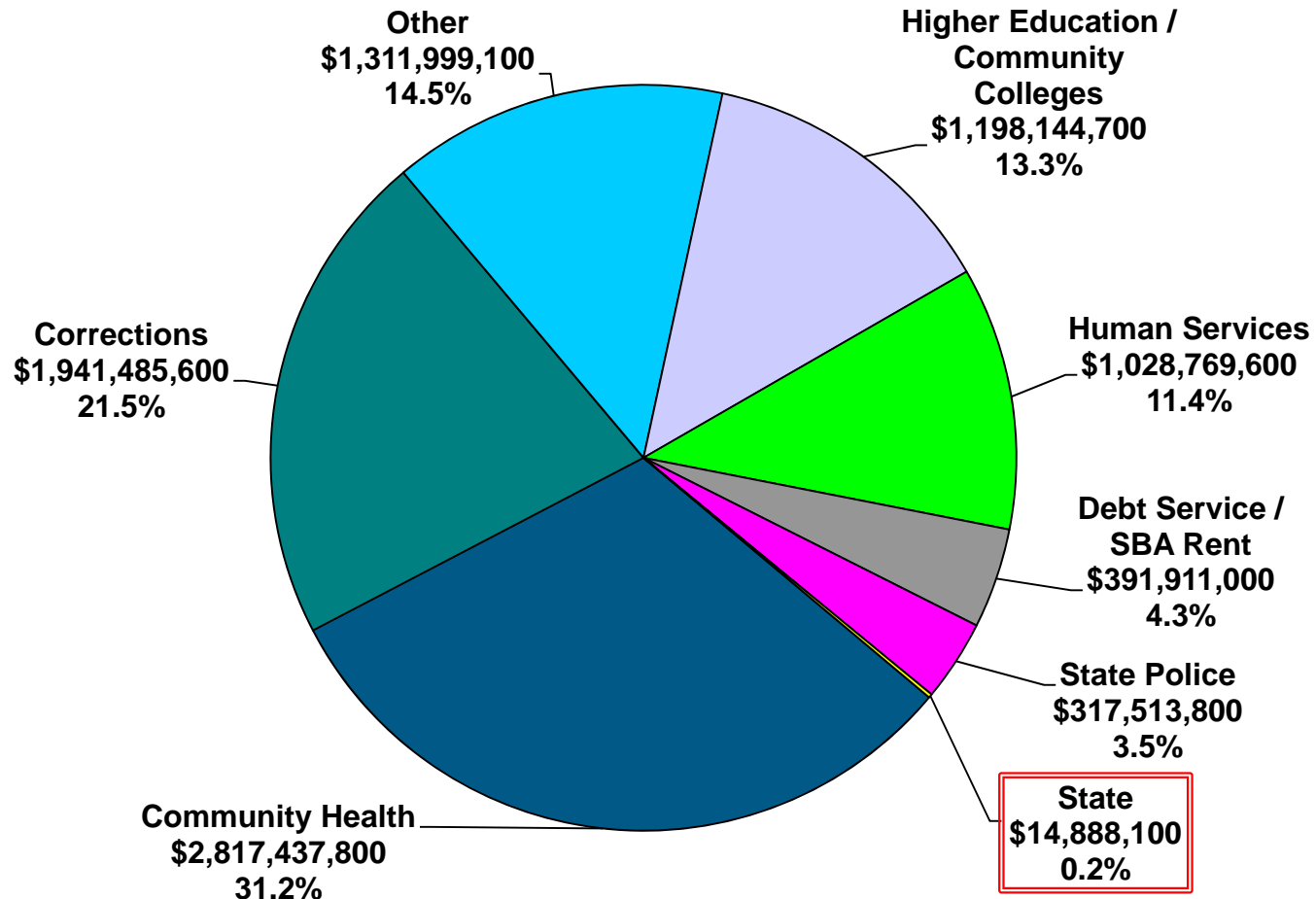
Spending increases primarily due to technology enhancements; large increase in FY 2004-05 due to federal Help America Vote Act grant funding; decreases due to budget reductions. The Department of State General Fund appropriations have steadily been replaced with restricted fund appropriations since FY 2007-08. The slight growth in GF/GP in FY 2012-13 is due to one-time appropriations and a Michigan Transportation Fund (MTF) shift of \$1.7 million to maintain \$20.0 million statutory cap on MTF revenues.



Department of State Share of State GF/GP

State makes up 0.2% of the total state GF/GP budget

FY 2012-13 GF/GP Total = \$9,022,149,700

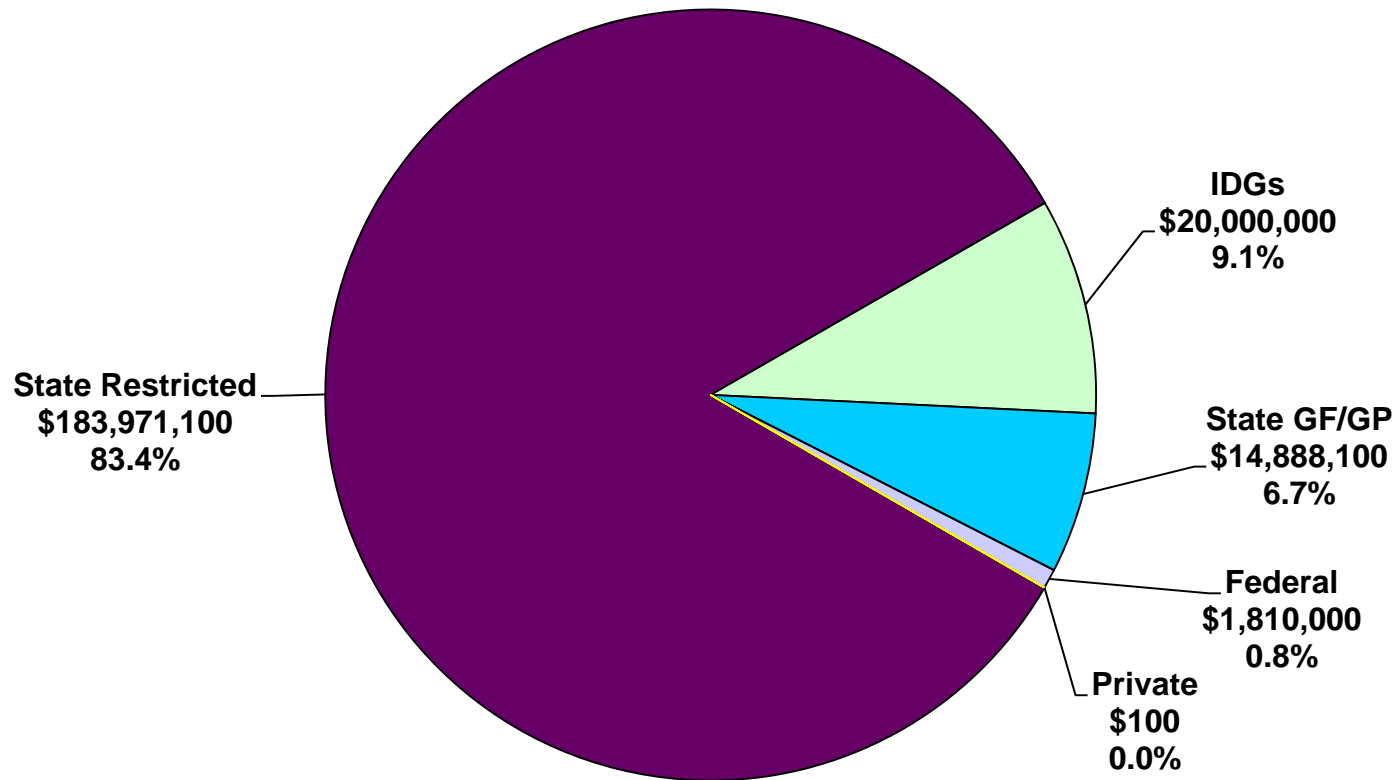


SOURCES OF FUNDING

Department of State Budget

State restricted funds, mostly transaction fee revenue, make up 83.4% of the budget.

FY 2012-13 State Budget = \$220,669,300



DEPARTMENT APPROPRIATIONS

Department of State Appropriations

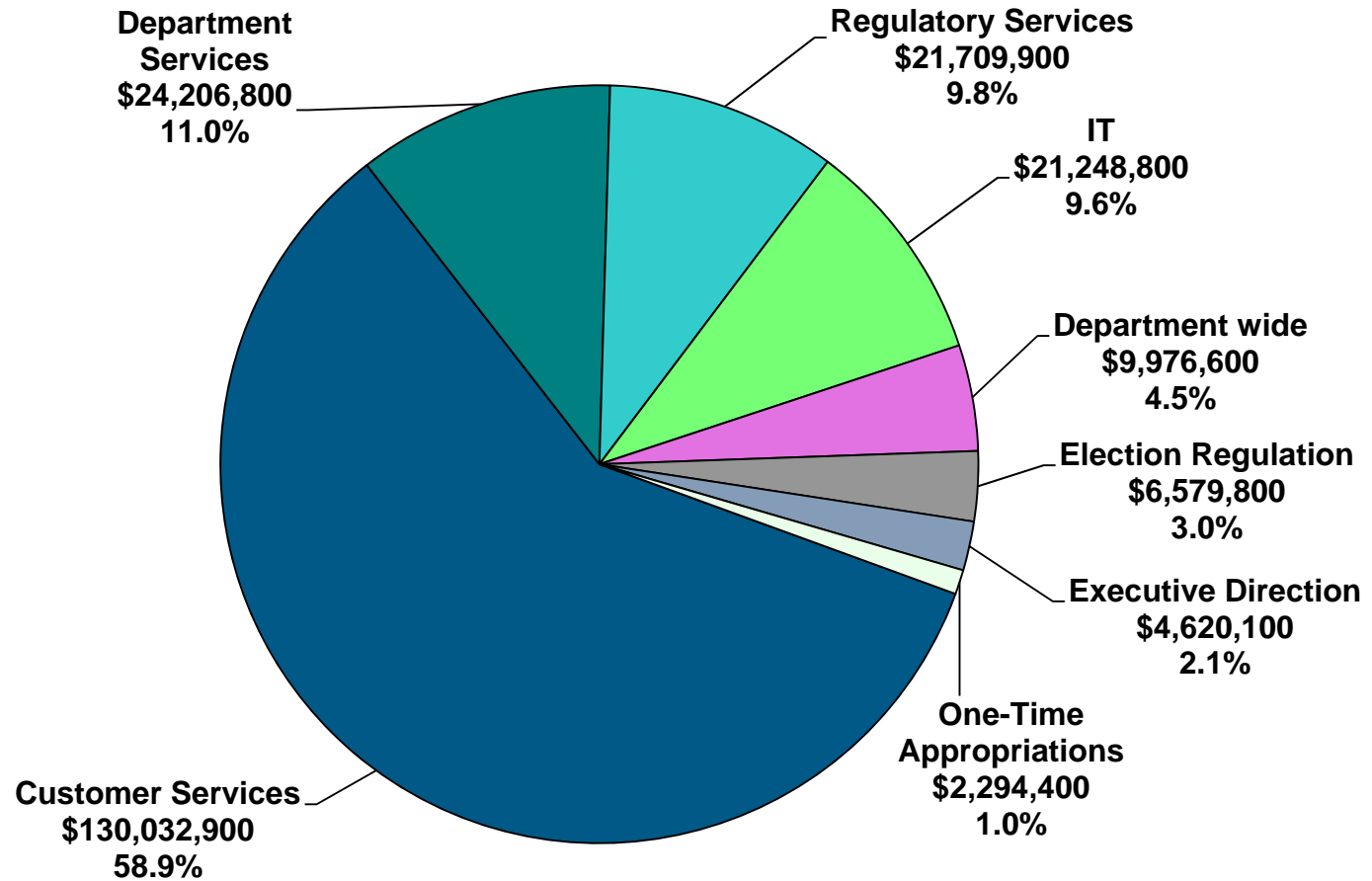
The State budget is allocated into the following major spending areas:

- Customer Services
- Regulatory Services
- Department Services
- Information Technology (IT)
- Departmentwide Services
- Election Regulation
- Executive Direction
- One-Time Appropriations

Department of State Appropriations

Customer Services is the largest spending component, followed by Department Services, and Regulatory Services.

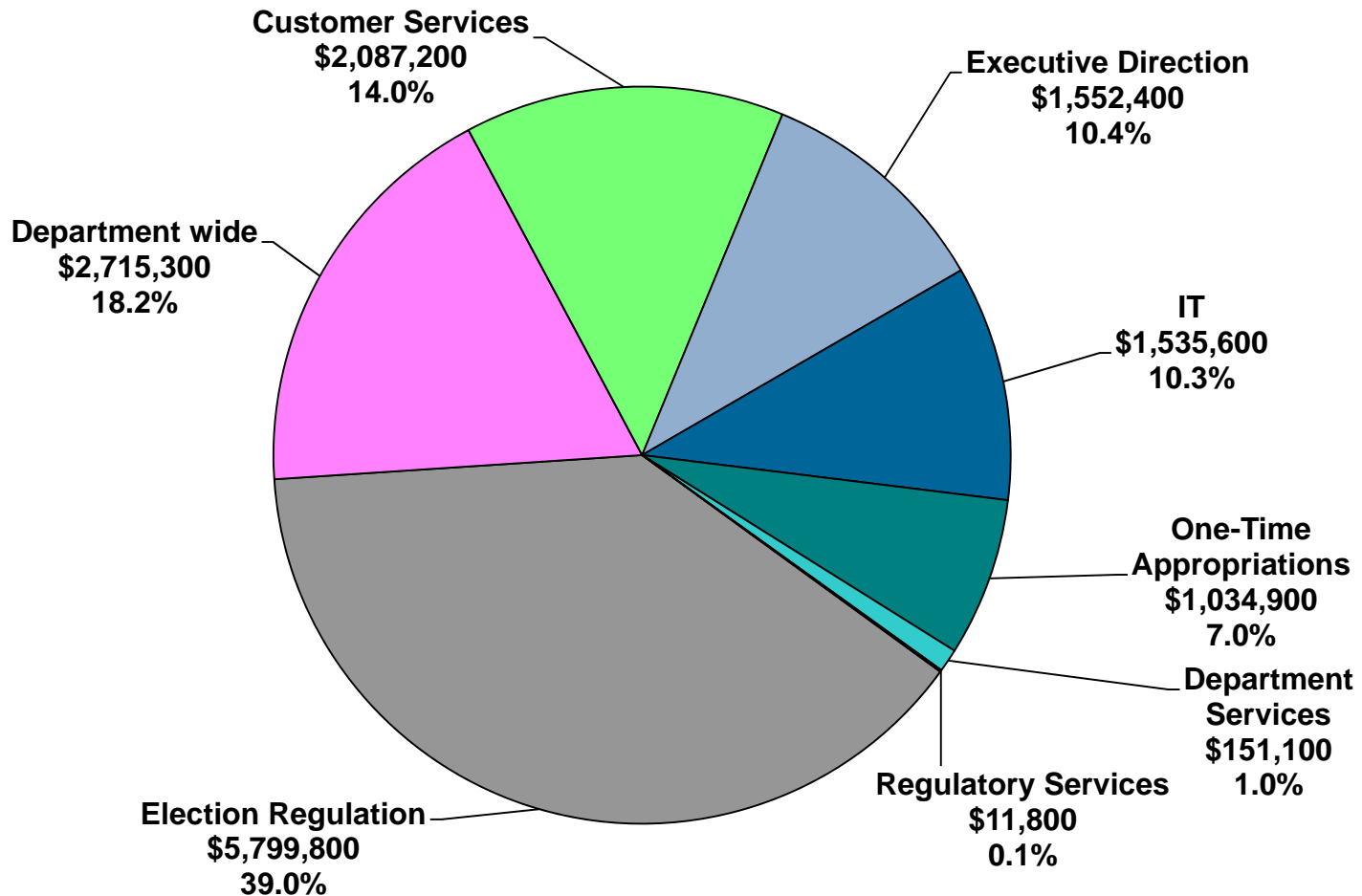
FY 2012-13 State Budget = \$220,669,300



Department of State GF/GP Appropriations

Election Regulation accounts for 39.0% of the GF/GP budget.

FY 2012-13 State GF/GP Budget = \$14,888,100



MAJOR BUDGET ISSUES

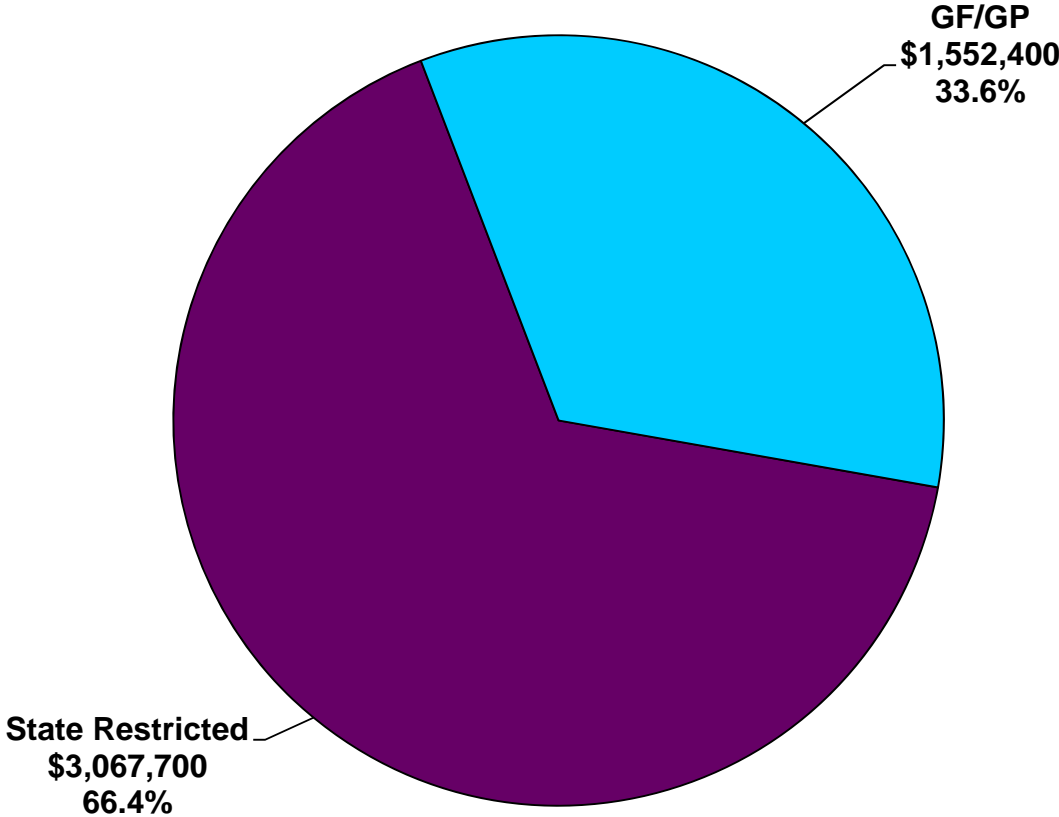
Executive Direction

- **Supports activities of:**
 - **Secretary of State**
 - **Office of Government Affairs**
 - **Office of Communications**
 - **Office of the Chief Operating Officer**
 - **Office of Civic and Community Affairs**
 - **Southeastern Michigan Executive Office**

- **Executive staff oversees Department administration including policy formulation and review, program direction, monitoring program execution, and administrative decision-making**

Executive Direction Appropriations by Revenue Source

FY 2012-13 Total = \$4,620,100



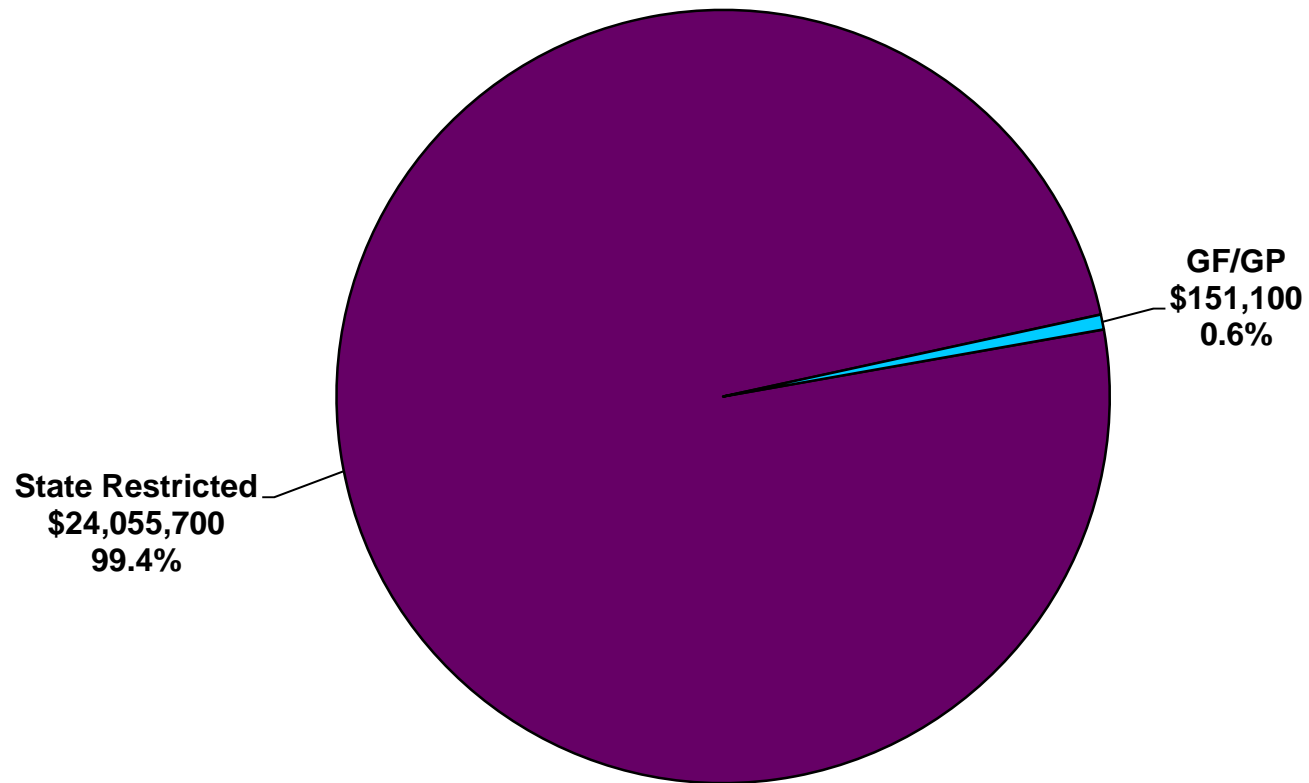
Department Services

- **Administrative divisions perform daily Department operations**
 - **Financial Services**
 - **Occupancy Services**
 - **Purchasing Services**
 - **Human Resources Services**

- **Assigned Claims Facility provides no-fault insurance benefits to uninsured motorists and receives claims for bodily injury benefits from individuals injured by uninsured motorists who have no insurance themselves (NOTE: Beginning January 1, 2013, administration of the Assigned Claims Facility will move to the Michigan Automobile Insurance Placement Facility under PA 204 of 2012)**

Department Services Appropriations by Revenue Source

FY 2012-13 Total = \$24,206,800



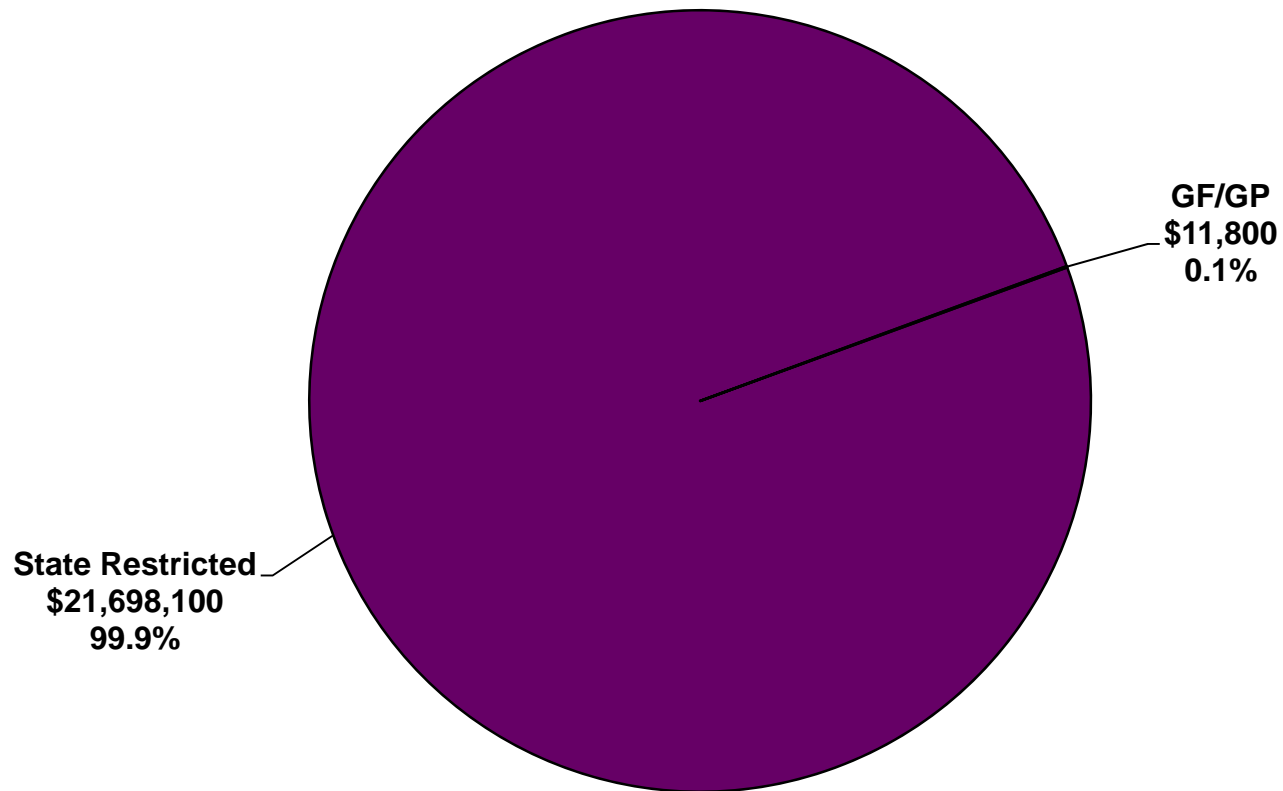
Regulatory Services

- **Legal and Regulatory Services Administration**
 - **Conducts regulatory appeal hearings**
 - **Acts as liaisons on legal matters with Attorney General's office, county prosecutors, and all affected customers**
 - **Provides advice and counsel to Department to ensure compliance with administrative procedures**
 - **Drafts rules for administrative rules process**
 - **Performs periodic audits of all department financial operations**
 - **Detects and prevents fraud in driver and vehicle licensing**
 - **Inspects assembled vehicles**
 - **Conducts training seminars for law enforcement agencies**
 - **Serves as state's liaison to National Crime Information Center for reporting auto-related crimes**

- **Motorcycle Safety Education and Grant Program**

Regulatory Services Appropriations by Revenue Source

FY 2012-13 Total = \$21,709,900



Customer Delivery Services

- **Operates 131 Secretary of State branch offices that issue drivers' licenses, process automobile and recreation vehicle titles and registrations, offer voter registration services, conduct traffic safety programs**
- **Bureau of Driver and Vehicle Records**
Process requests for driver and vehicle records; maintain/stores driver and vehicle records; maintain violation, suspension, and restriction records; maintain records of financing statements used to protect a security interest in collateral
- **Uniform Commercial Code**
Govern commercial transactions covering sales, negotiable instruments, bank deposits, collections, and investment securities; requires Department to file and search secured transaction documents

Customer Delivery Services

- **Office of Customer Service**
 - Process mailed applications for computer-prepared registrations
 - Scan forms to update system information
 - Issue new tabs for registrations

- **Oversee manufacturing and issuing of license plates**
 - Standard license plates
 - Specialty and University license plates
 - Commemorative license plates
 - Olympic Center plates

- **Administer Organ Donor Program**
 - Collect and transfer organ donation information from driver license and personal identification card applicants to a third party
 - Produce pamphlets which explain the program and encourage people to become donors

Fund-Raising License Plates

- **Motorists pay \$35 in addition to the annual registration fee**
 - \$10 for administration (plate production/distribution)
 - \$25 donated to the sponsoring cause
 - Annual renewal is \$10 (donated to the sponsoring cause)

- **Specialty License Plates:**

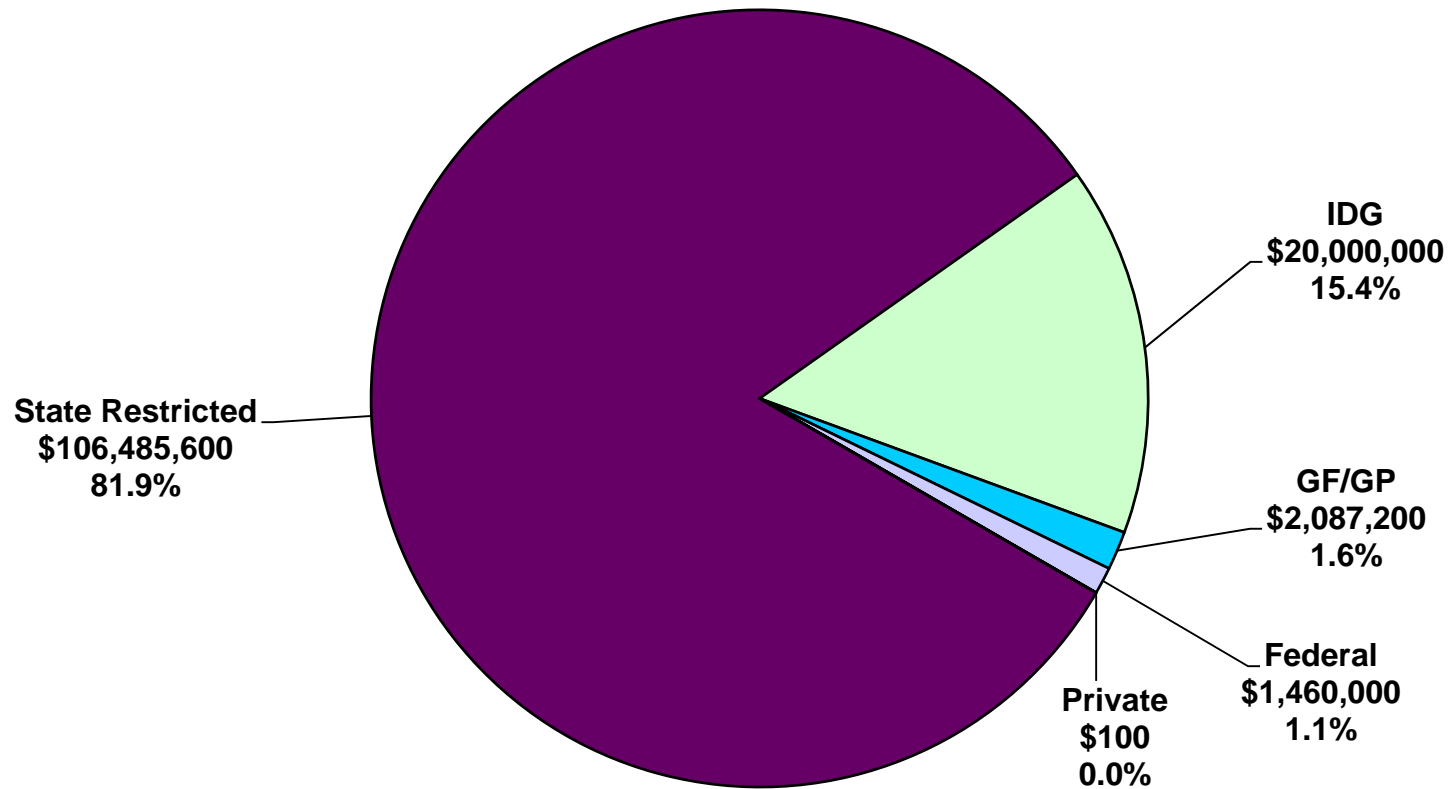
<ul style="list-style-type: none">Agricultural HeritageBoy Scouts of AmericaLighthouse PreservationWater QualityPatriotic	<ul style="list-style-type: none">Children's Trust FundDonate LifeVeterans MemorialWildlife HabitatOlympic Education
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- **University License Plates:**

<ul style="list-style-type: none">Central Michigan UniversityFerris State UniversityLake Superior State UniversityMichigan Technological UniversityOakland UniversityUniversity of MichiganUniversity of Michigan - FlintWestern Michigan University	<ul style="list-style-type: none">Eastern Michigan UniversityGrand Valley State UniversityMichigan State UniversityNorthern Michigan UniversitySaginaw Valley State UniversityUniversity of Michigan - DearbornWayne State University
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Customer Delivery Services Appropriations by Revenue Source

FY 2012-13 Total = \$130,032,900



Election Regulation

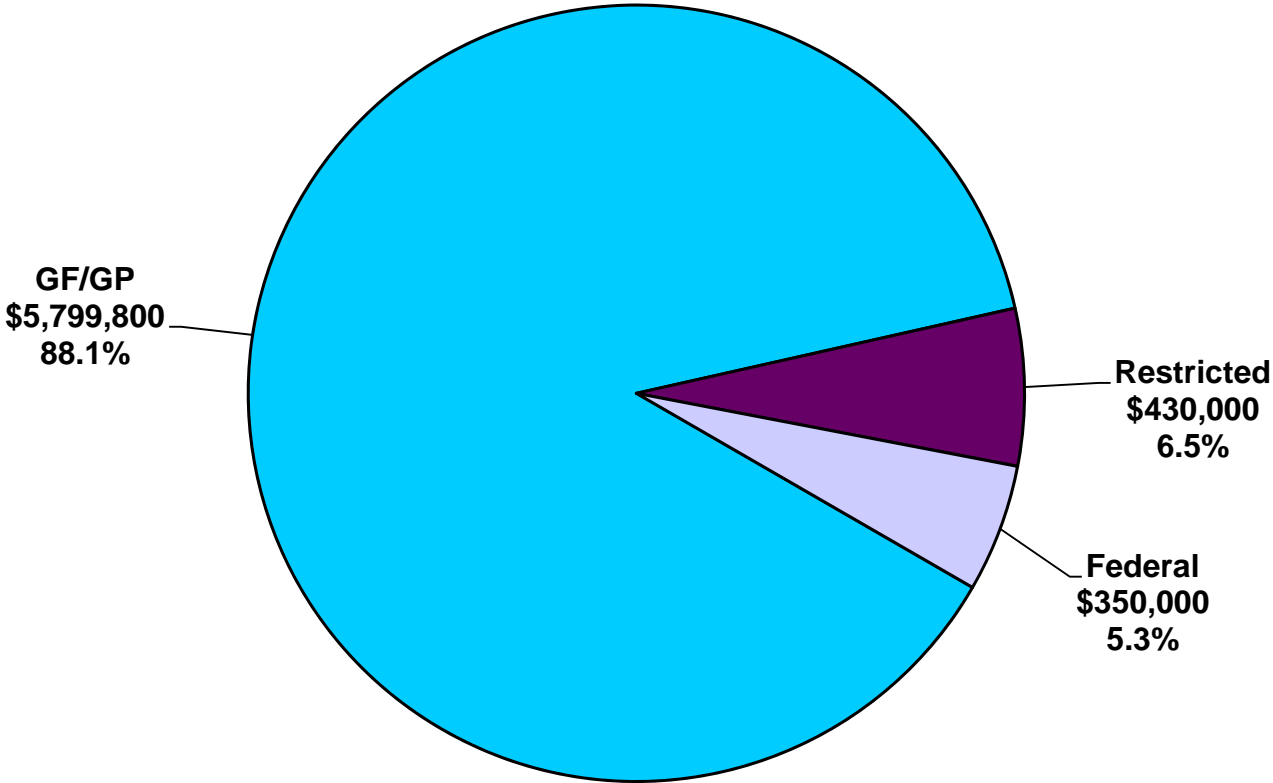
- **Bureau of Elections**
 - **Enforce Michigan election statutes, election law, and Campaign Finance Act**
 - **Provide training to local election officials and staff support to Board of State Canvassers**
 - **Review campaign statements, register lobbyists/lobbyist agents, maintain lobbying expenditure reports**
- **Qualified Voter File**
 - **Maintain statewide voter registration database to prevent record duplication**
 - **Place qualified voters in their correct city or township of residence**
 - **Track voter jurisdiction moves**
- **Help America Vote Act**
- **County clerk education and training**

Election Regulation

- **Office of the Great Seal**
 - **Keeps the state's official Great Seal and affix it to all official documents**
 - **Appoints all notary publics**
 - **Processes gubernatorial extraditions and warrants**
 - **Serves as repository for official municipal incorporations and boundary changes, executive orders and appointments, officials' oaths of office, deeds to state-owned lands, public acts and administrative rules**

Election Regulation by Revenue Source

FY 2012-13 Total = \$6,579,800

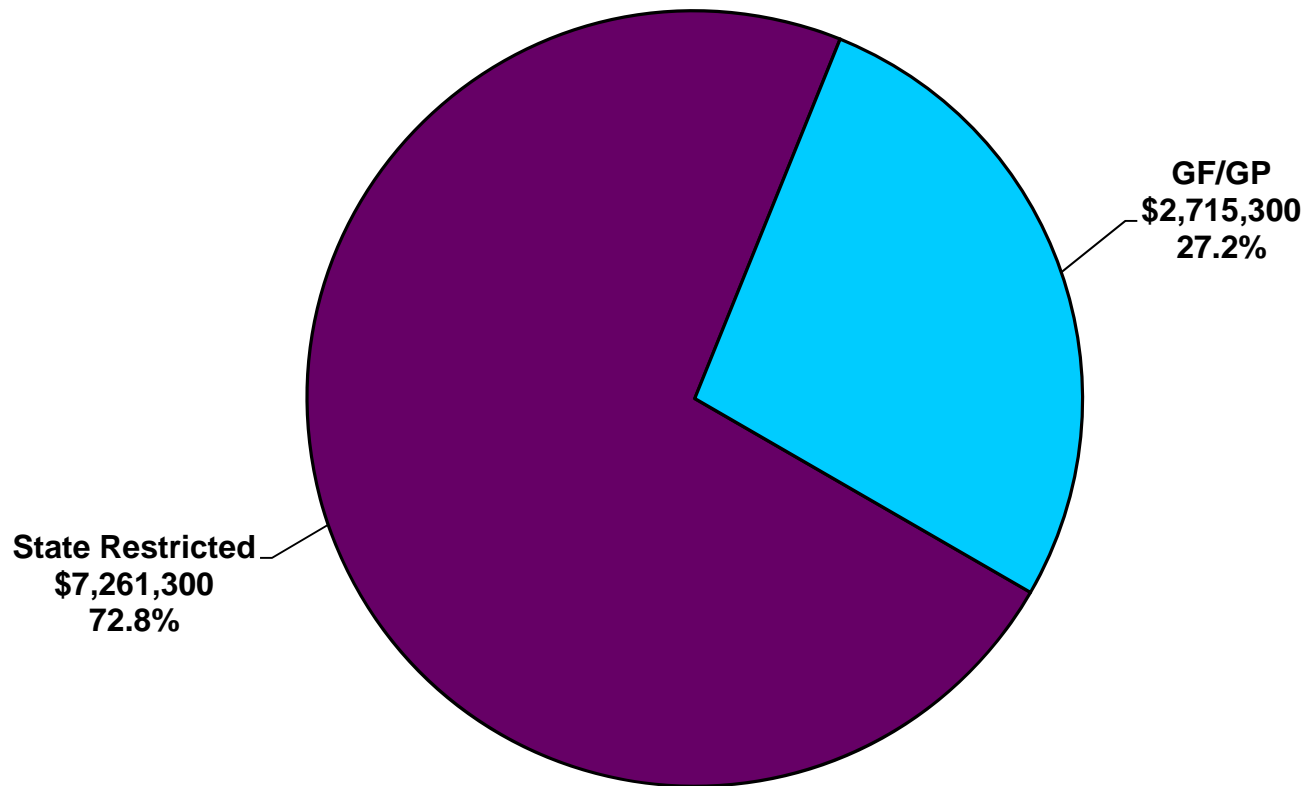


Departmentwide Appropriations

- **Rent and property management costs**
- **Department occupies administrative office space in:**
 - **Capitol area**
 - **Detroit (Cadillac Place)**
 - **Secondary Complex in Lansing**
 - **Branch office space statewide**
- **Payment of worker's compensation premiums**

Departmentwide Appropriations by Revenue Source

FY 2012-13 Total = \$9,976,600

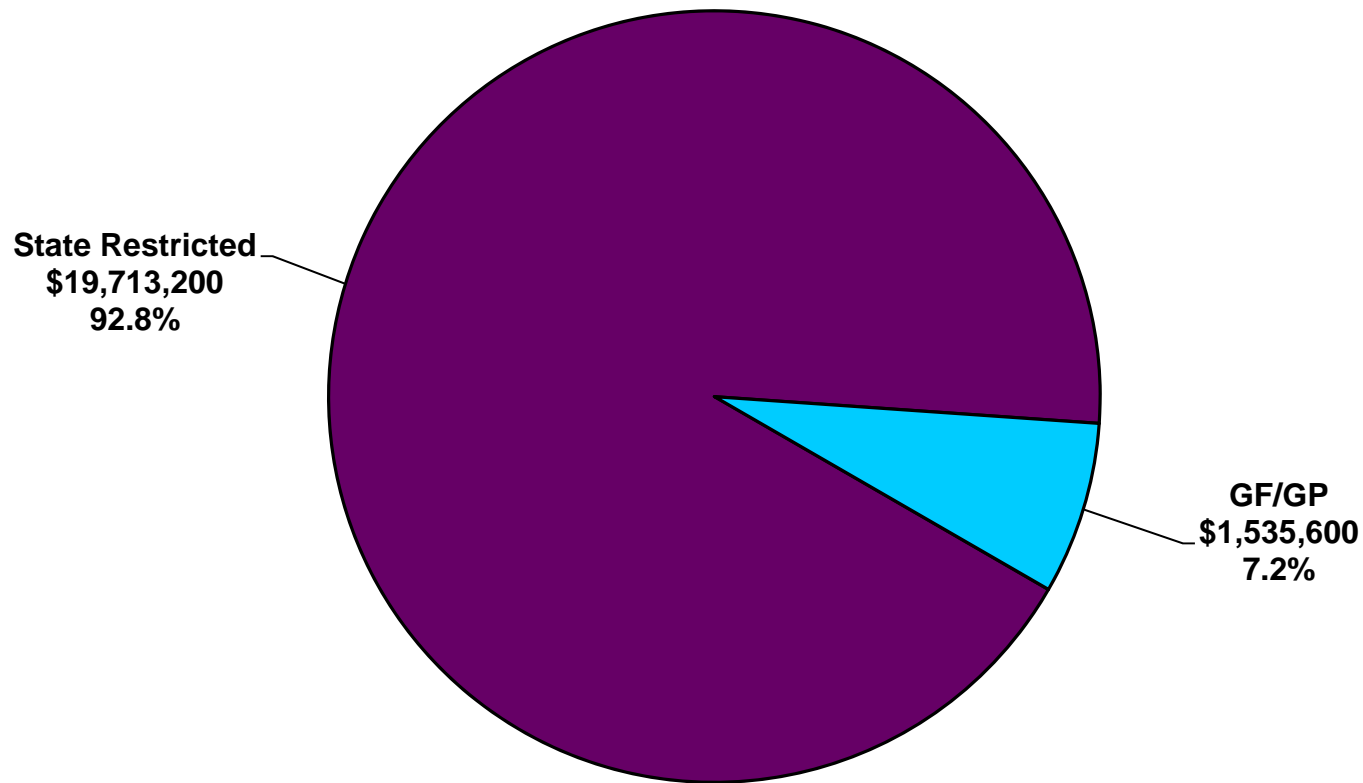


Information Technology (IT)

- **Covers costs of IT-related services and projects, which support Department activities**
- **Administered by Department of Information Technology**

IT Appropriations by Revenue Source

FY 2012-13 Total = \$21,248,800

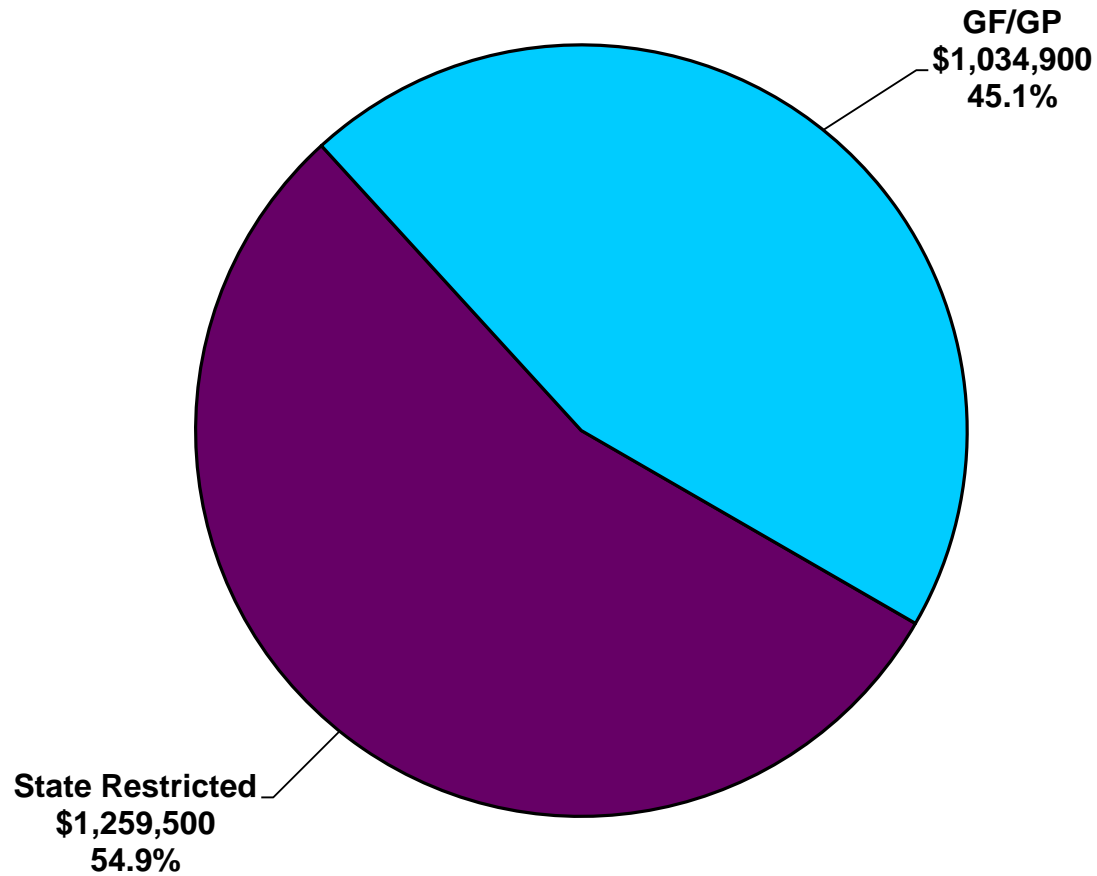


One-Time Appropriations

- **Includes \$1,544,400 for negotiated employee lump-sum payments**
- **Includes \$150,000 for ExpressSOS marketing**
- **Includes \$600,000 for Commercial Driver License Medical Certificate Program**

One-Time Appropriations

FY 2012-13 Total = \$2,294,400



**For more information about the
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