



Background Briefing

DEPARTMENT OF STATE

Marilyn Peterson, Senior Fiscal Analyst

December 2013

The fiscal information in this background briefing is based on data through December 31, 2013.

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:***
Drivers' licenses, titles and registrations for motor vehicles, watercraft, and recreational vehicles.

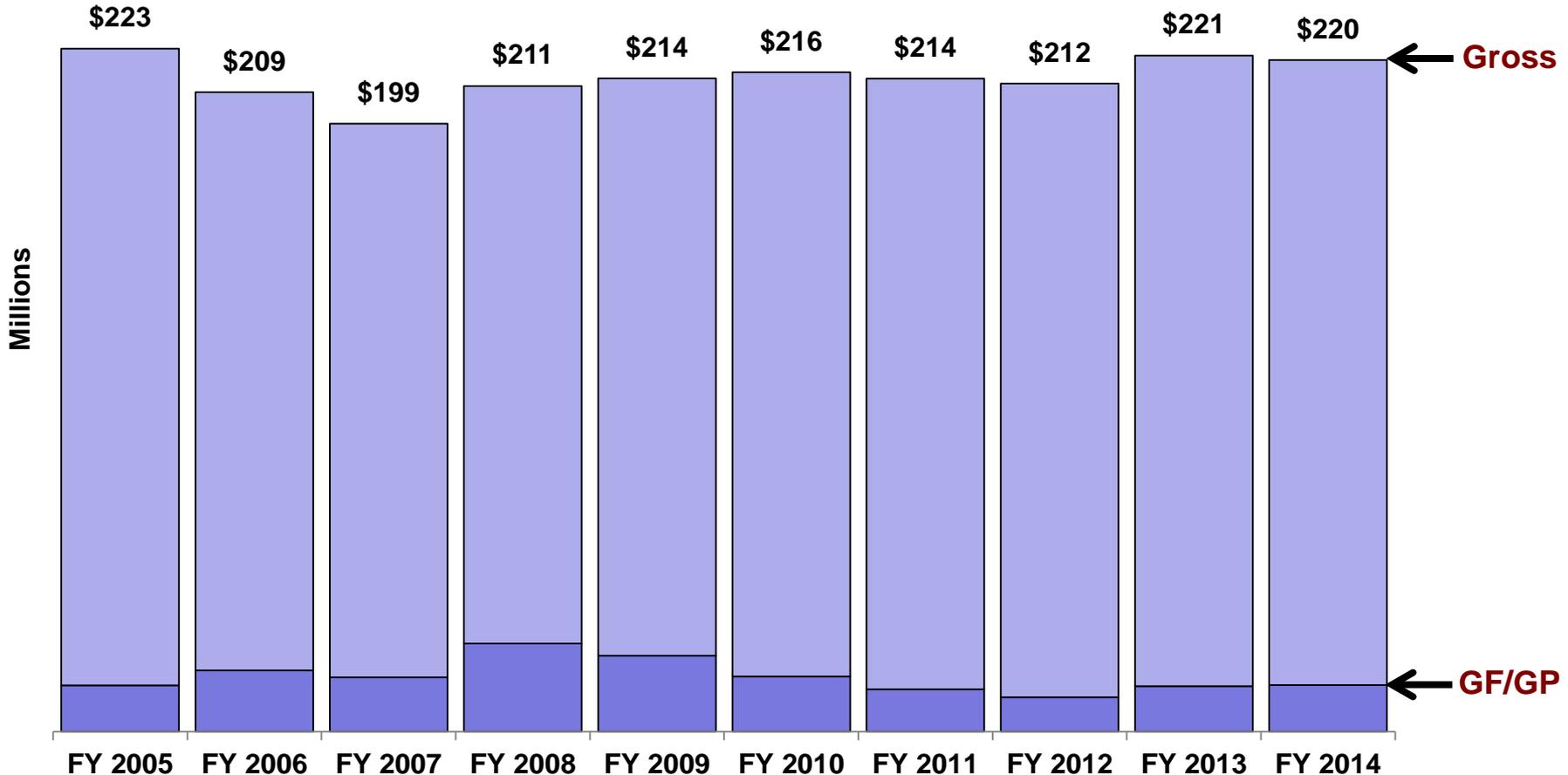
 - ***Traffic safety:***
Driving tests, license suspensions.

 - ***Consumer protection:***
Inspection, licensing, and regulation of automobile dealers and repair facilities.

 - ***Elections:***
Regulation and administration of the state's electoral process, training of local election officials, and campaign finance monitoring.

Department of State: Gross Appropriations

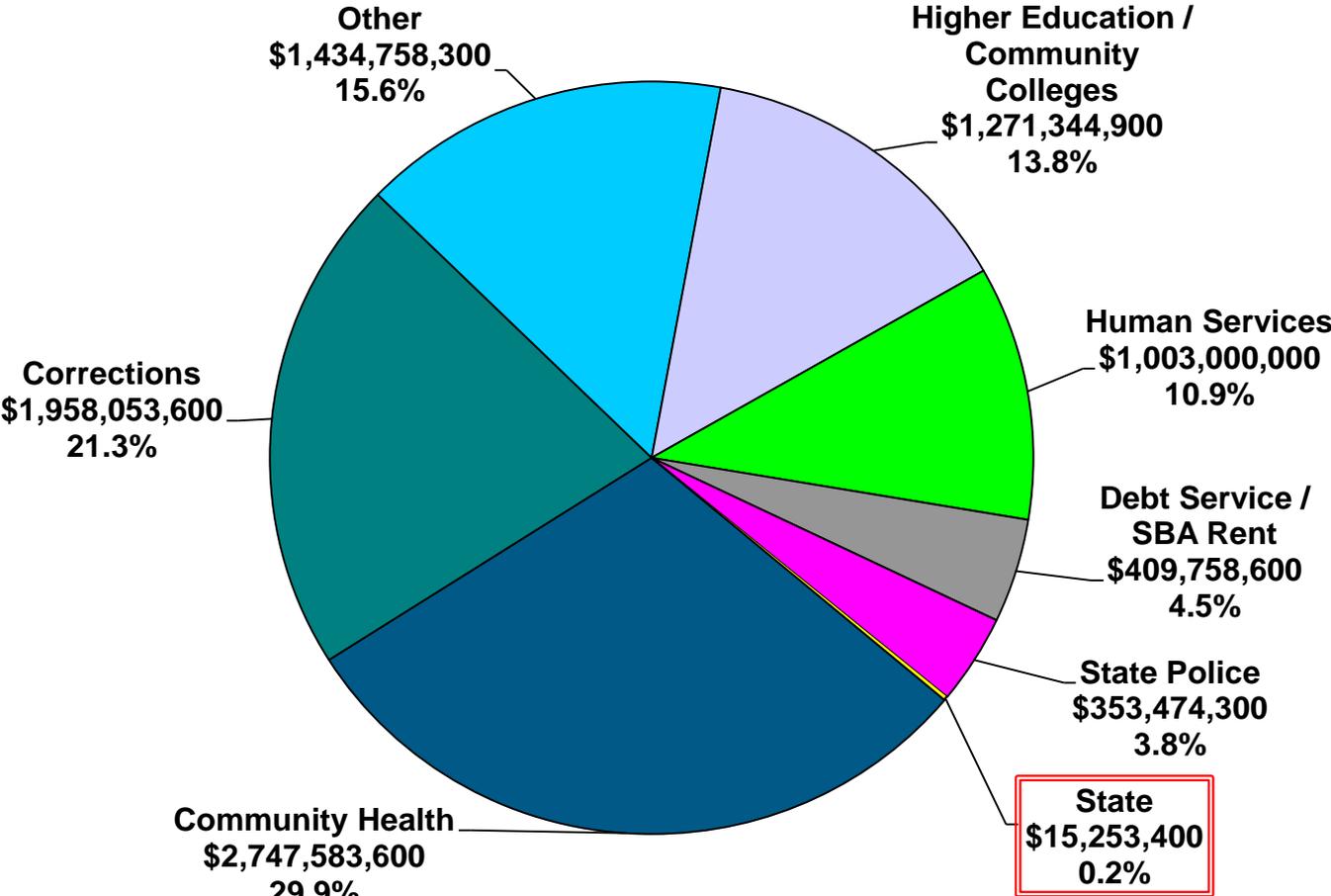
Spending increases primarily due to technology enhancements; large increase in FY 2004-05 due to federal Help America Vote Act grant funding; decreases due to budget reductions. The Department of State General Fund appropriations have steadily been replaced with restricted fund appropriations since FY 2007-08.



Department of State Share of State GF/GP

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

FY 2013-14 GF/GP Total = \$9,193,226,700

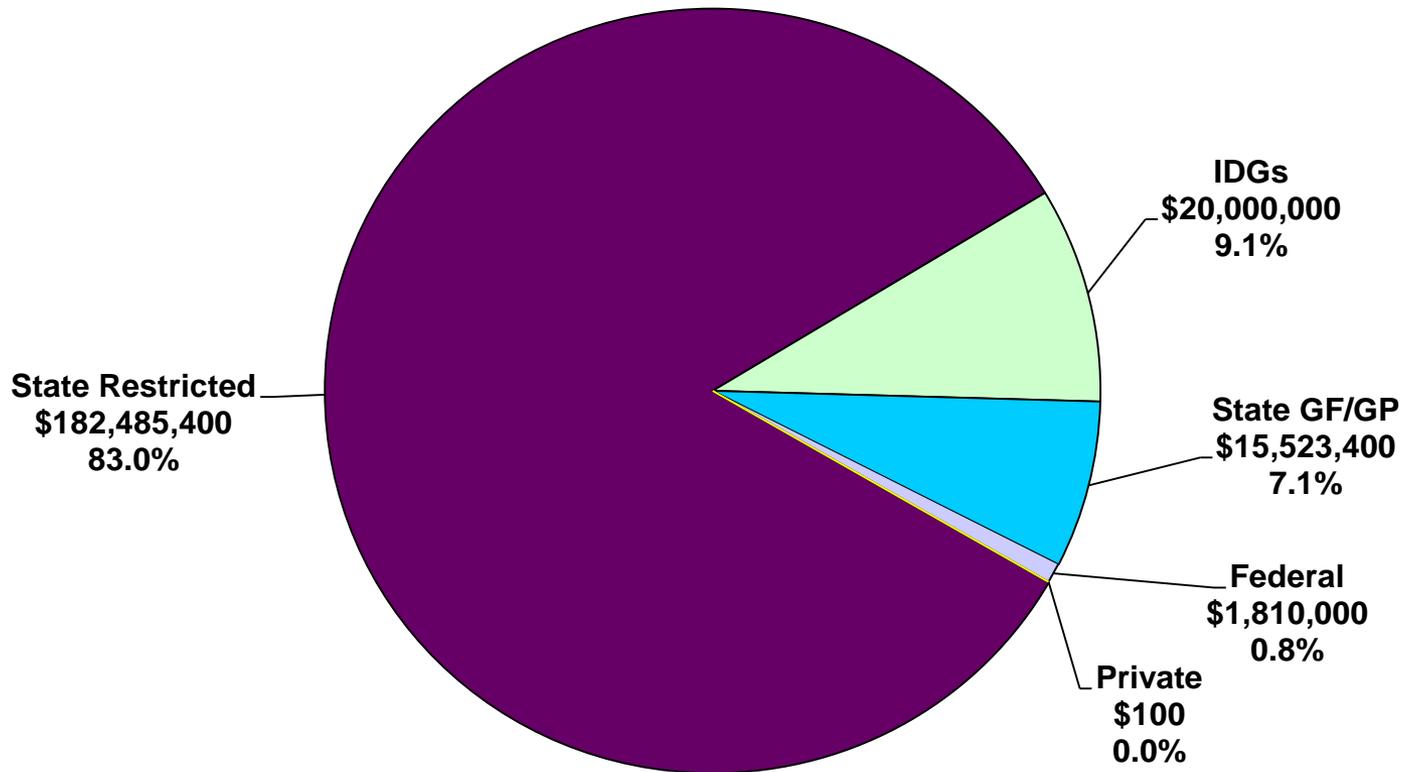


SOURCES OF FUNDING

Department of State Budget

State restricted funds, mostly transaction fee revenue, make up 83% of the budget.

FY 2013-14 Department of State Budget = \$219,548,900



DEPARTMENT APPROPRIATIONS

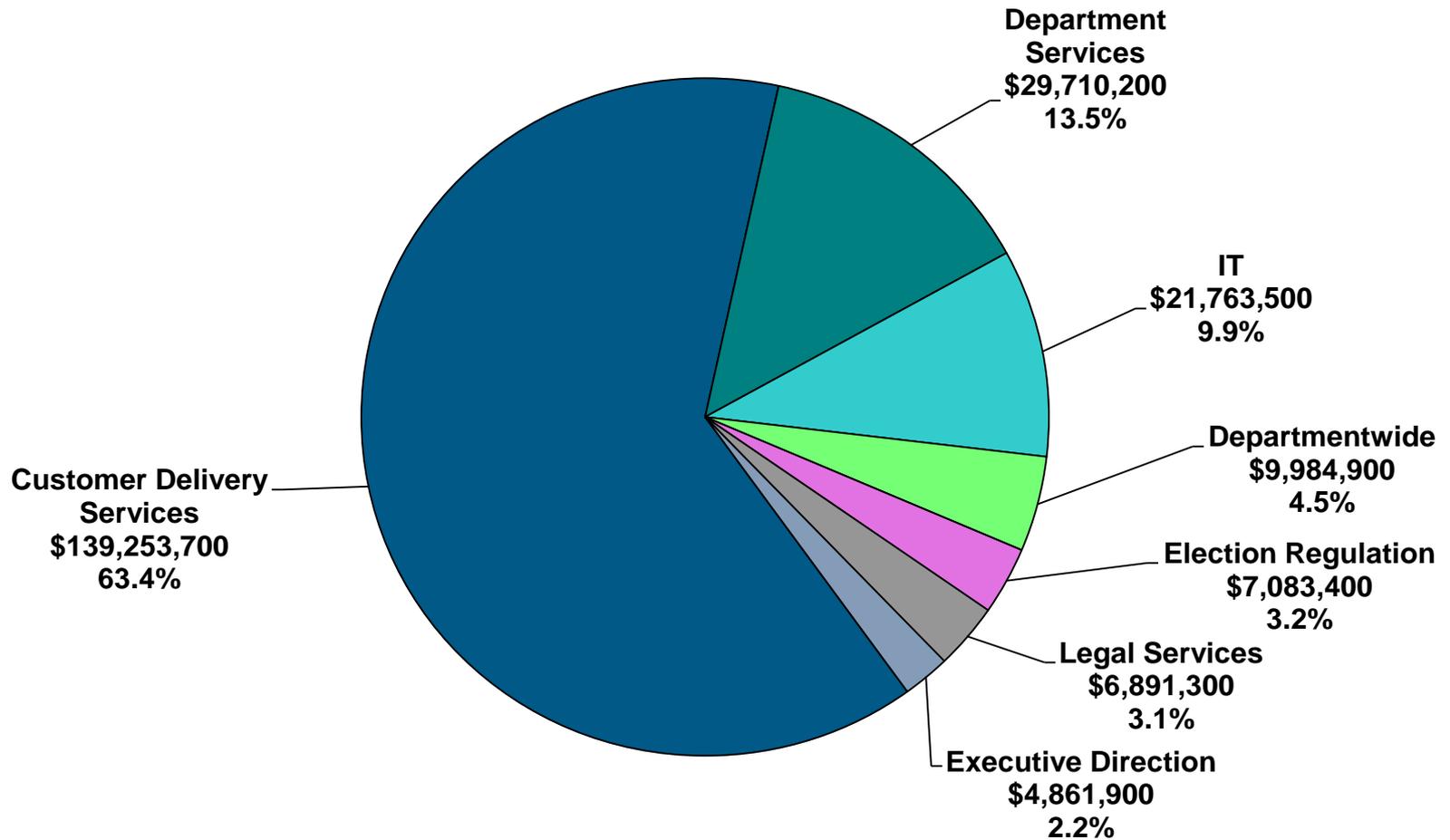
Department of State Appropriations

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

- Customer Delivery Services
- Legal Services
- Department Services
- Information Technology (IT)
- Departmentwide Appropriations
- Election Regulation
- Executive Direction

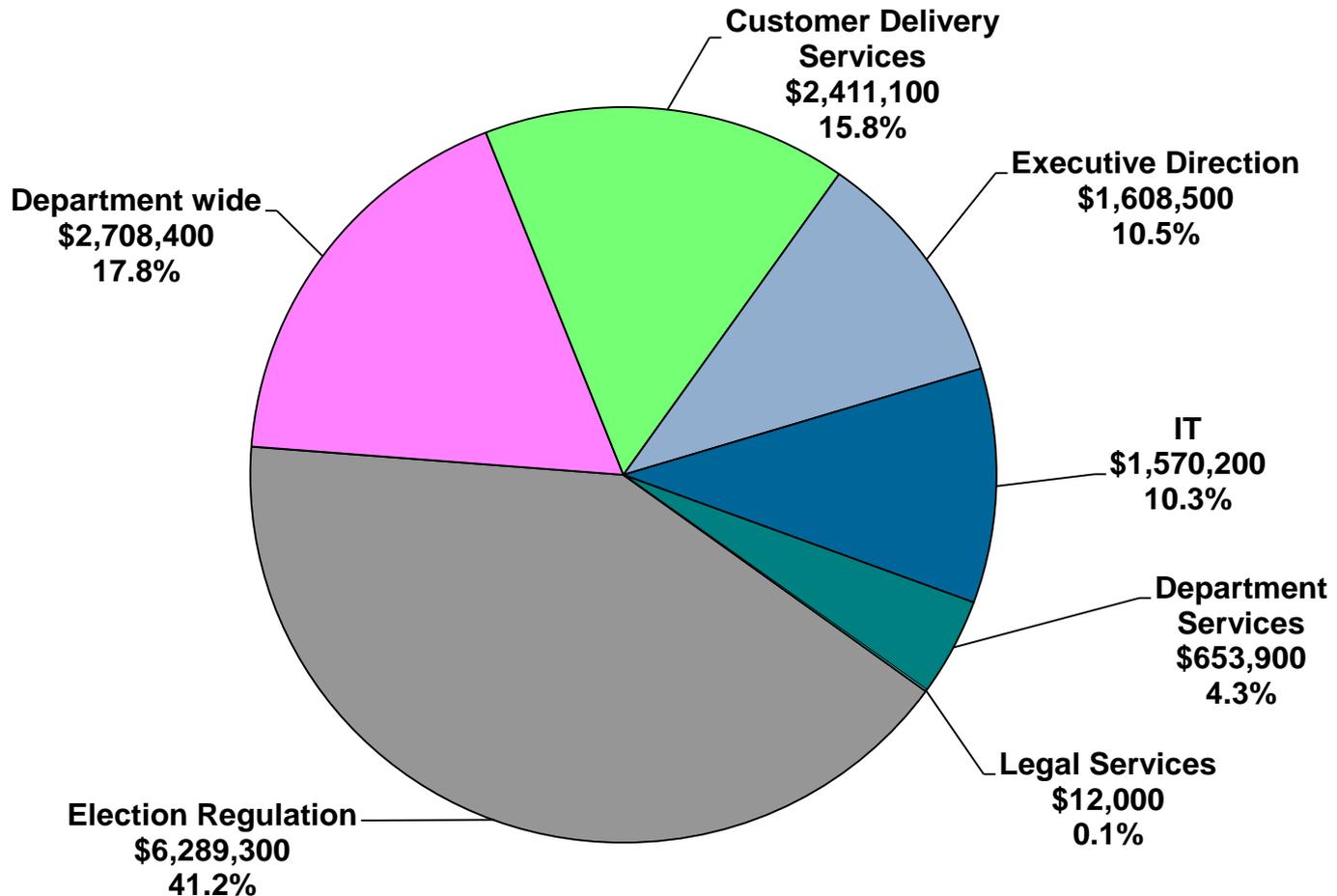
Department of State Appropriations FY 2013-14 Total: \$219,548,900

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



Department of State GF/GP Appropriations FY 2013-14 GF/GP: \$15,253,400

Election Regulation accounts for over 41% of the GF/GP budget.



MAJOR BUDGET TOPICS

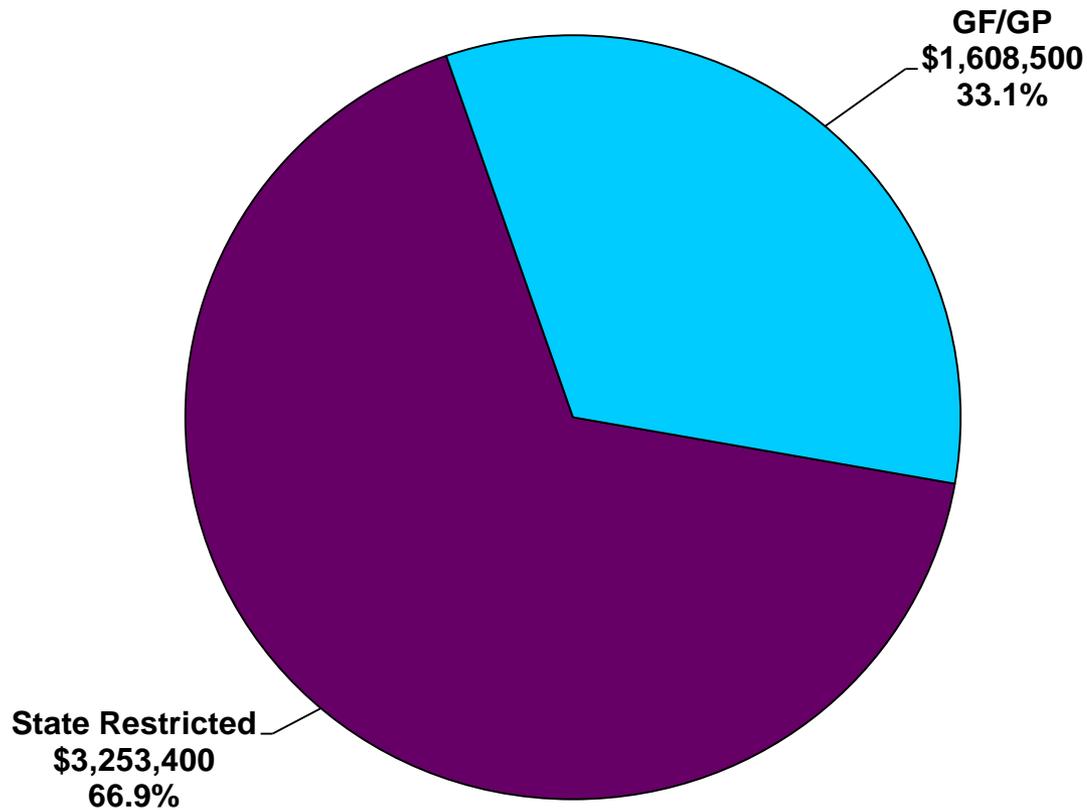
Executive Direction

- **Supports activities of:**
 - **Secretary of State**
 - **Office of Policy Initiatives**
 - **Office of Communications**
 - **Office of the Chief Operating Officer**
 - **Office of Civic and Community Affairs**

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

Executive Direction Appropriations by Revenue Source

FY 2013-14 Total = \$4,861,900

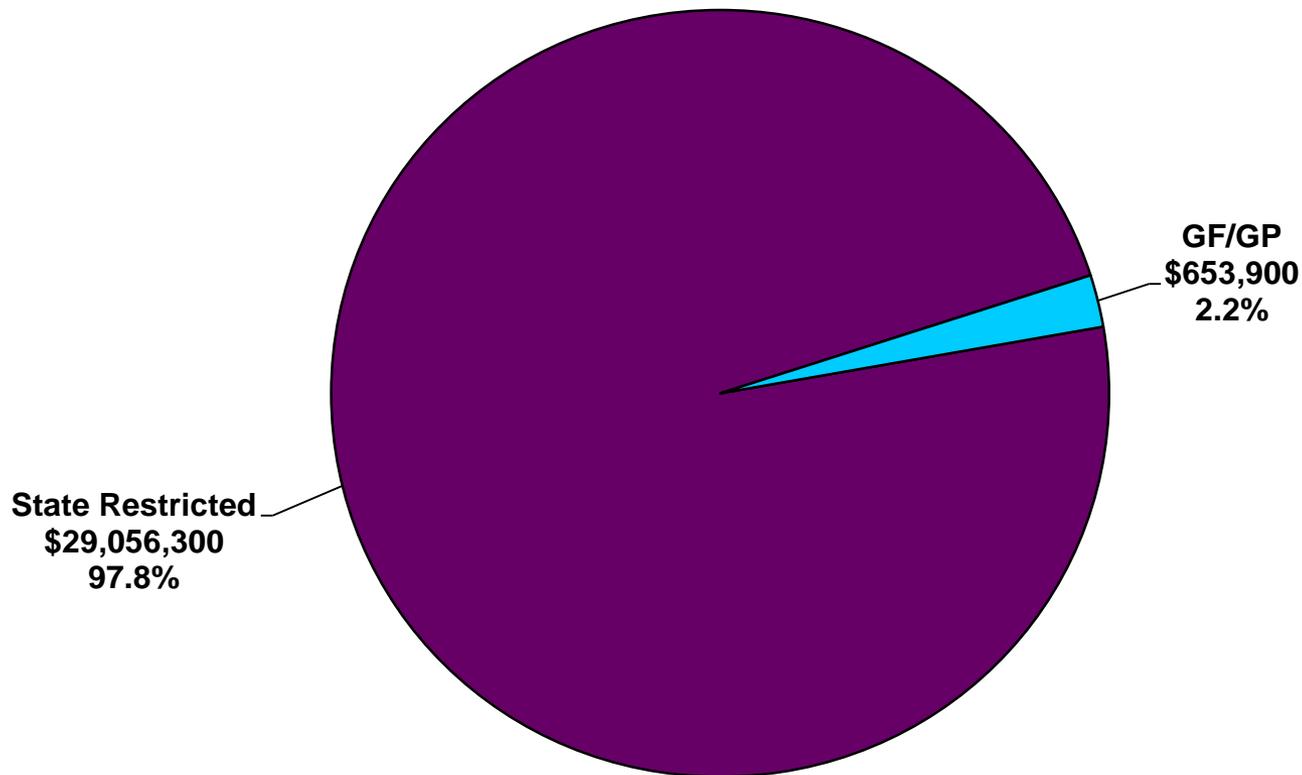


Department Services

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

Department Services Appropriations by Revenue Source

FY 2013-14 Total = \$29,710,200

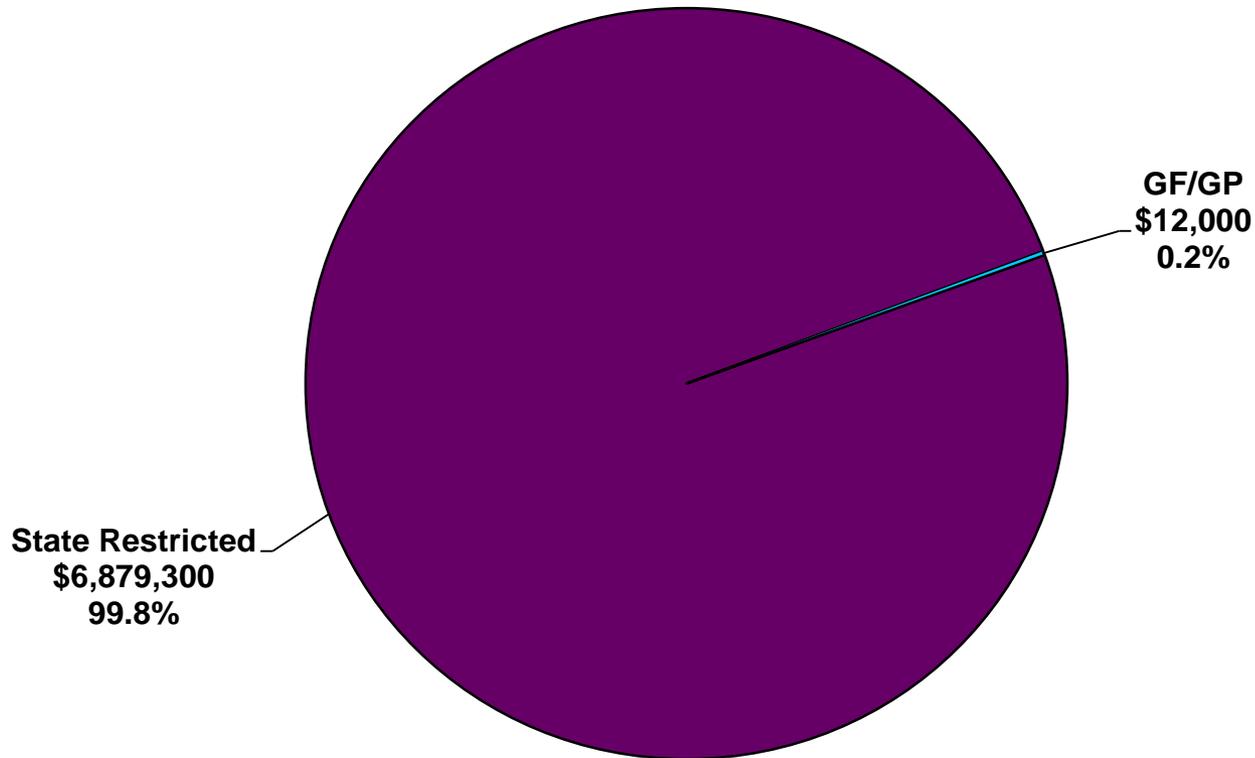


Legal Services

- **Legal Services**
 - **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**

Legal Services Appropriations by Revenue Source

FY 2013-14 Total = \$6,891,300



Customer Delivery Services

- **Branch Operations**
Operates 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**
Processes requests for driver and vehicle records; maintains/stores driver and vehicle records; maintains violation, suspension, and restriction records; maintains records of financing statements used to protect a security interest in collateral.
- **Motorcycle Safety Education Administration**
Administers motorcycle safety education program.

Customer Delivery Services, continued

- **Office of Customer Service**
Processes mailed applications for computer-prepared registrations and driver licenses, receives and maintains Uniform Commercial Code filings
- **Organ Donor Program**
Collects and transfers organ donation information from driver license and personal identification card applicants to third parties, produces promotional materials to explain and encourage organ donation.
- **License Plates**
Oversees manufacturing and issuing of license plates, including standard plates, personalized plates, fundraising plates, special organization plates, historical vehicle plates, and veteran/military service plates.

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)

- **Special Cause License Plates:**

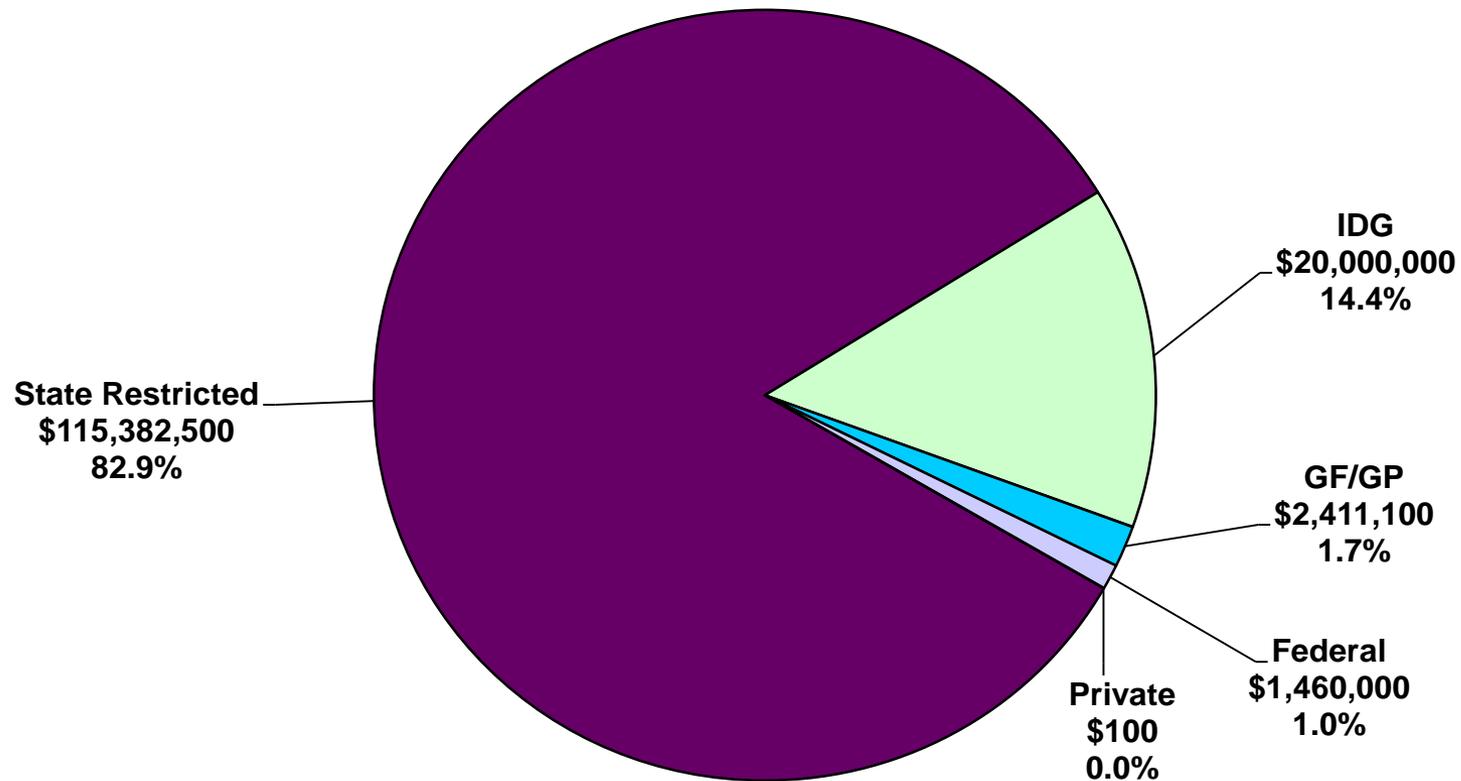
Agricultural Heritage	Children's Trust Fund
Boy Scouts of America	Donate Life
Lighthouse Preservation	Veterans Memorial
Water Quality	Wildlife Habitat
Patriotic	Olympic Education
Ducks Unlimited (authorized by 2013 PAs 6 and 7)	

- **University License Plates:**

Central Michigan University	Eastern Michigan University
Ferris State University	Grand Valley State University
Lake Superior State University	Michigan State University
Michigan Technological University	Northern Michigan University
Oakland University	Saginaw Valley State University
University of Michigan	University of Michigan - Dearborn
University of Michigan - Flint	Wayne State University
Western Michigan University	

Customer Delivery Services Appropriations by Revenue Source

FY 2013-14 Total = \$139,253,700



Election Regulation

- **Bureau of Elections**
 - Enforces Michigan election statutes, election law, and Campaign Finance Act
 - Provides training to local election officials and staff support to Board of State Canvassers
 - Reviews campaign statements, register lobbyists/lobbyist agents, maintain lobbying expenditure reports

- **Qualified Voter File**
 - Maintains statewide voter registration database to prevent record duplication
 - Places qualified voters in their correct city or township of residence
 - Tracks voter jurisdiction moves

- **Help America Vote Act**

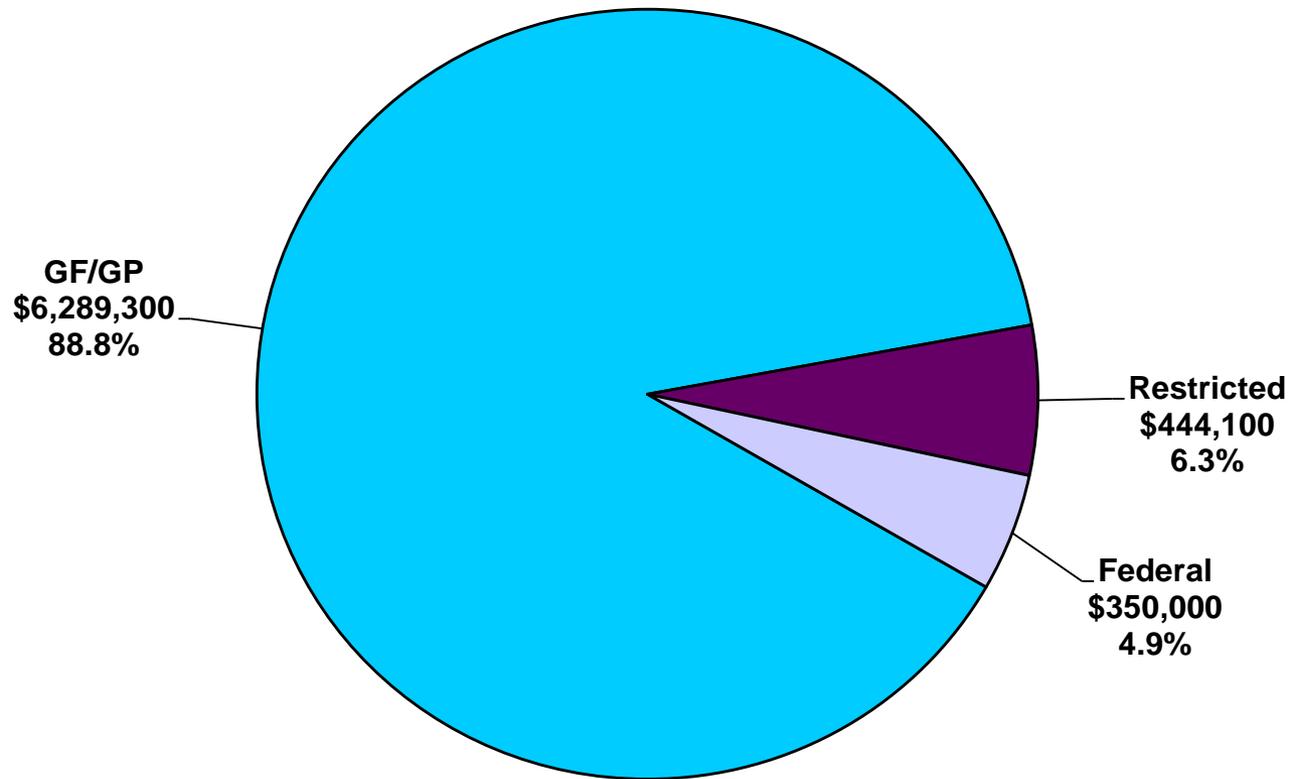
- **County clerk education and training**

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 2013-14 Total = \$7,083,400

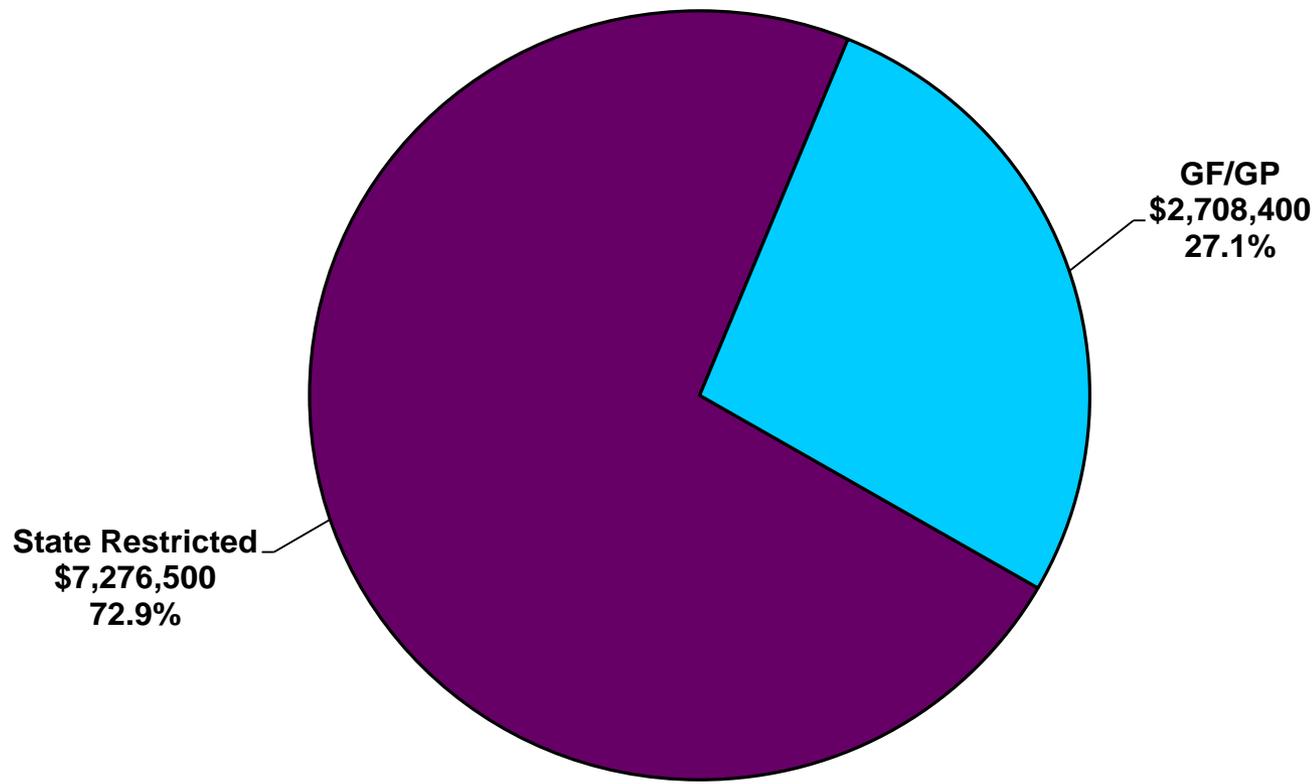


Departmentwide Appropriations

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

Departmentwide Appropriations by Revenue Source

FY 2013-14 Total = \$9,984,900

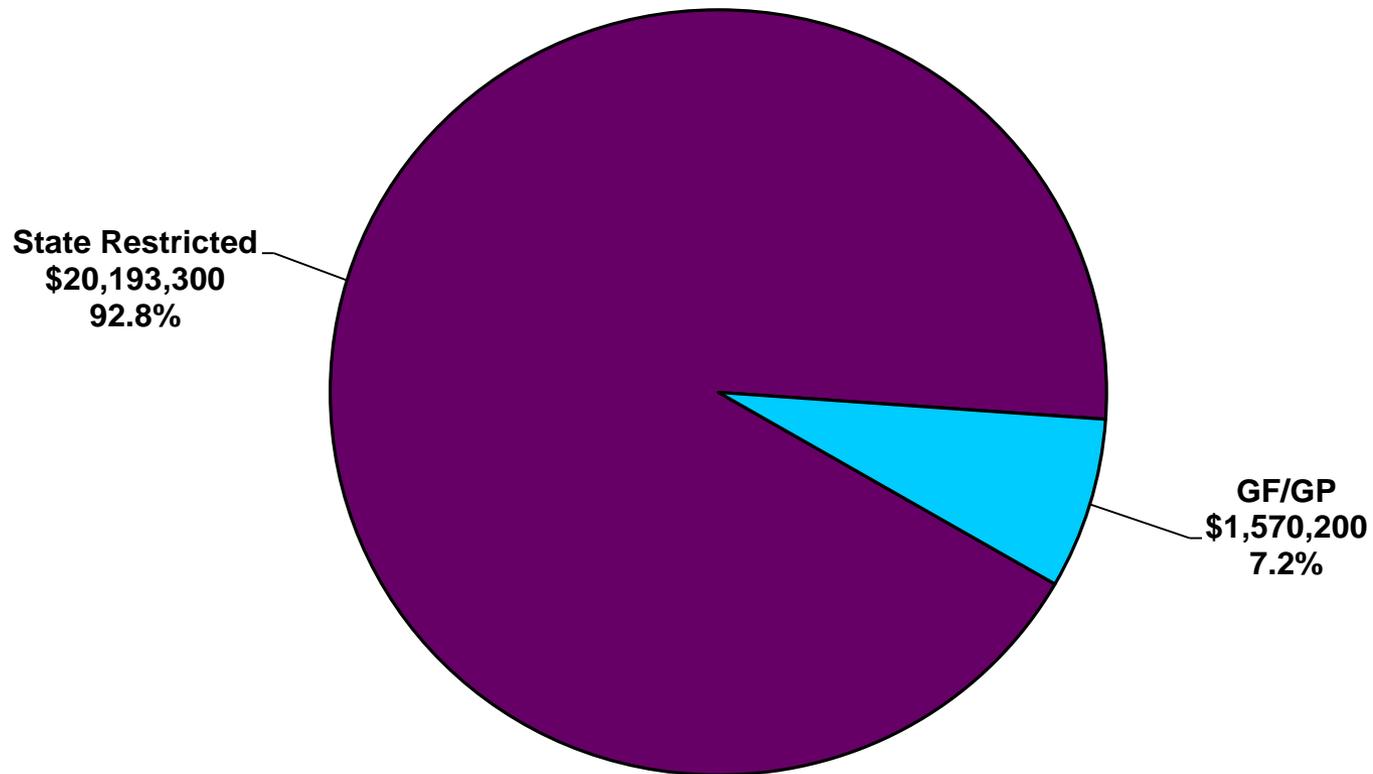


Information Technology (IT)

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

IT Appropriations by Revenue Source

FY 2013-14 Total = \$21,763,500



**For more information about the
Department of State budget, contact:**

**Marilyn Peterson
mpeterson@house.mi.gov
(517) 373-8080**