



Background Briefing

DEPARTMENT OF STATE

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December 2011

The fiscal information in this background briefing is based on data through December 31, 2011.

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**

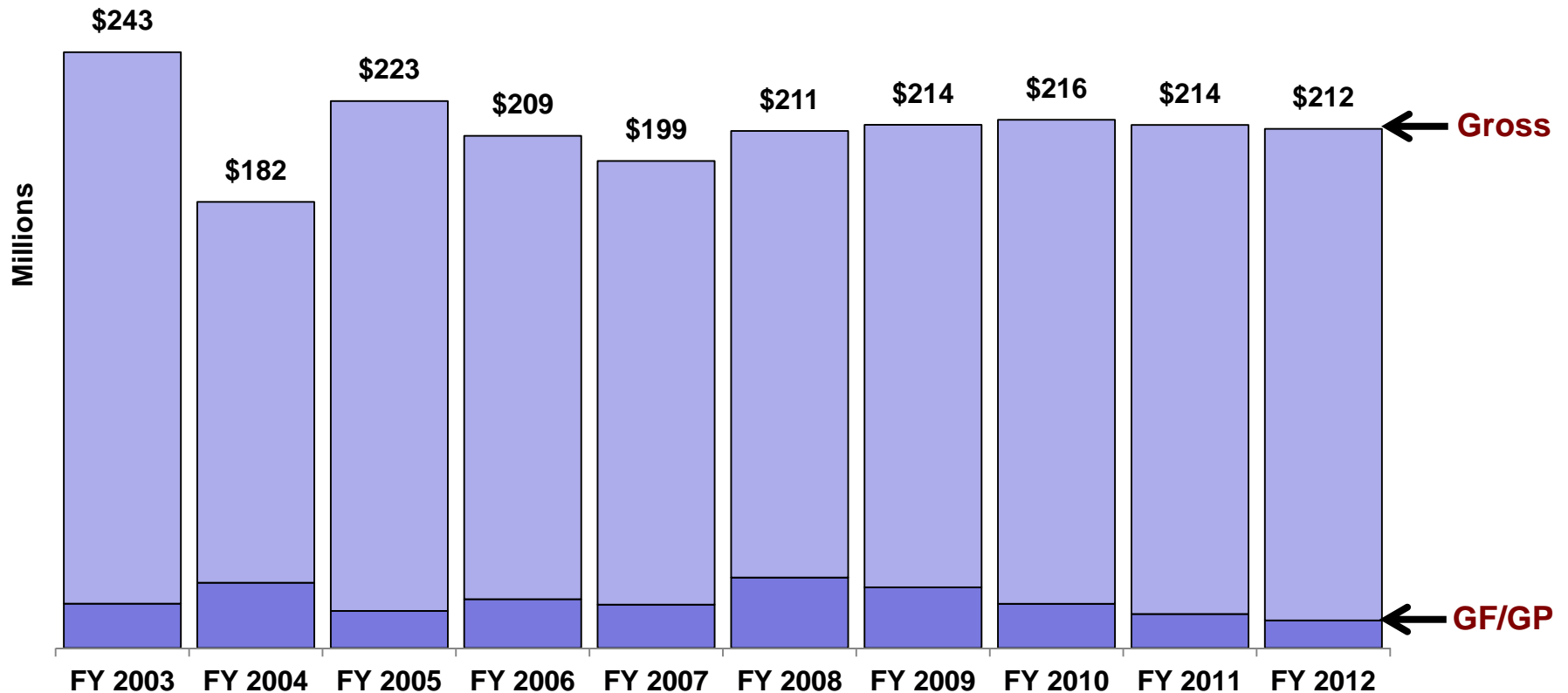
 - ***Traffic safety:* test drivers for ability and suspend license privileges when laws are broken or incompetence is judged**

 - ***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

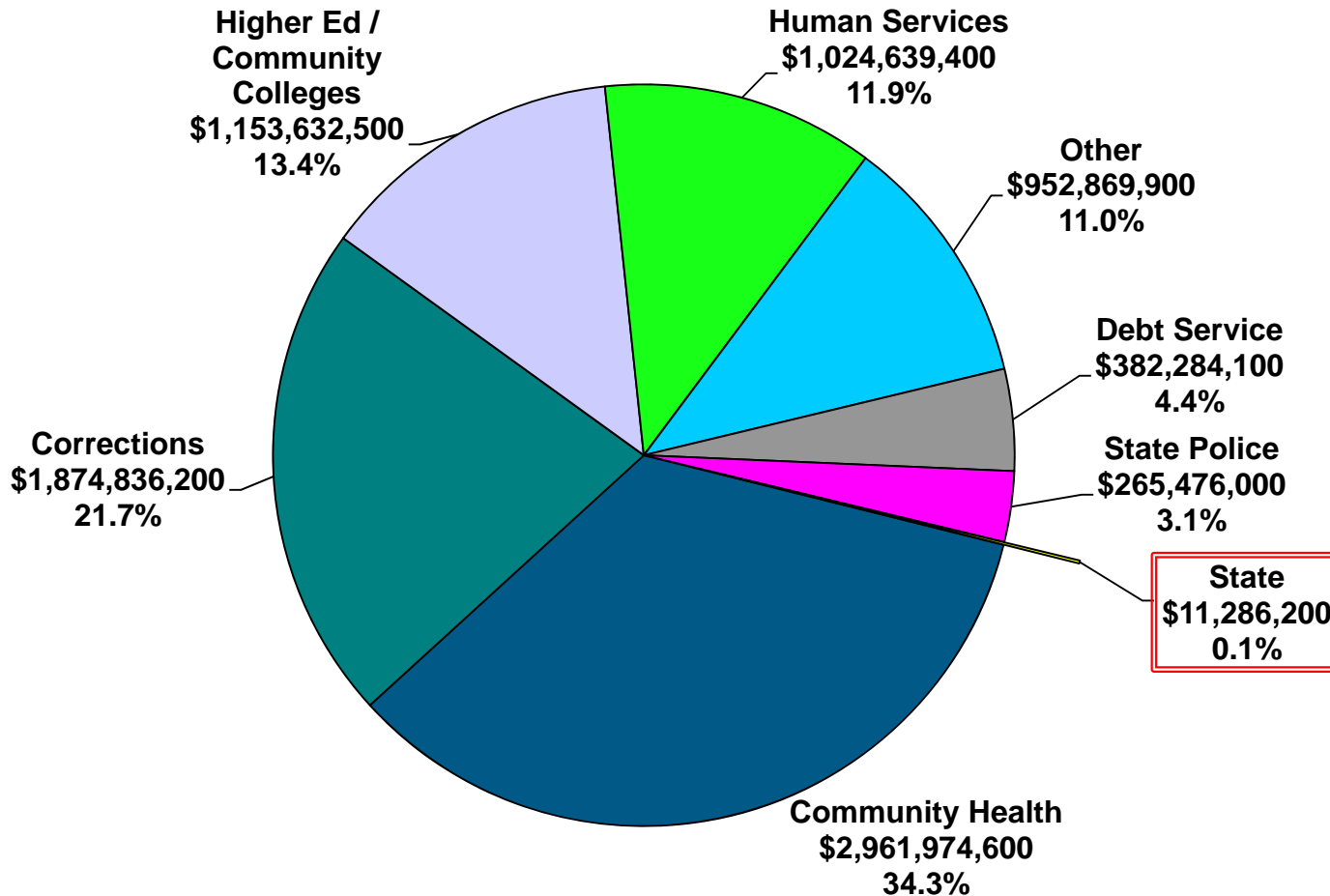
Spending increases primarily due to technology enhancements; large increase in FY 2004-05 due to federal Help America Vote Act grant funding; decreases due to budget reductions. The Department of State General Fund appropriations have steadily been replaced with restricted fund appropriations since FY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



Department of State Share of State GF/GP

State makes up 0.1% of the total state GF/GP budget

FY 2011-12 GF/GP Total = \$8,626,998,900

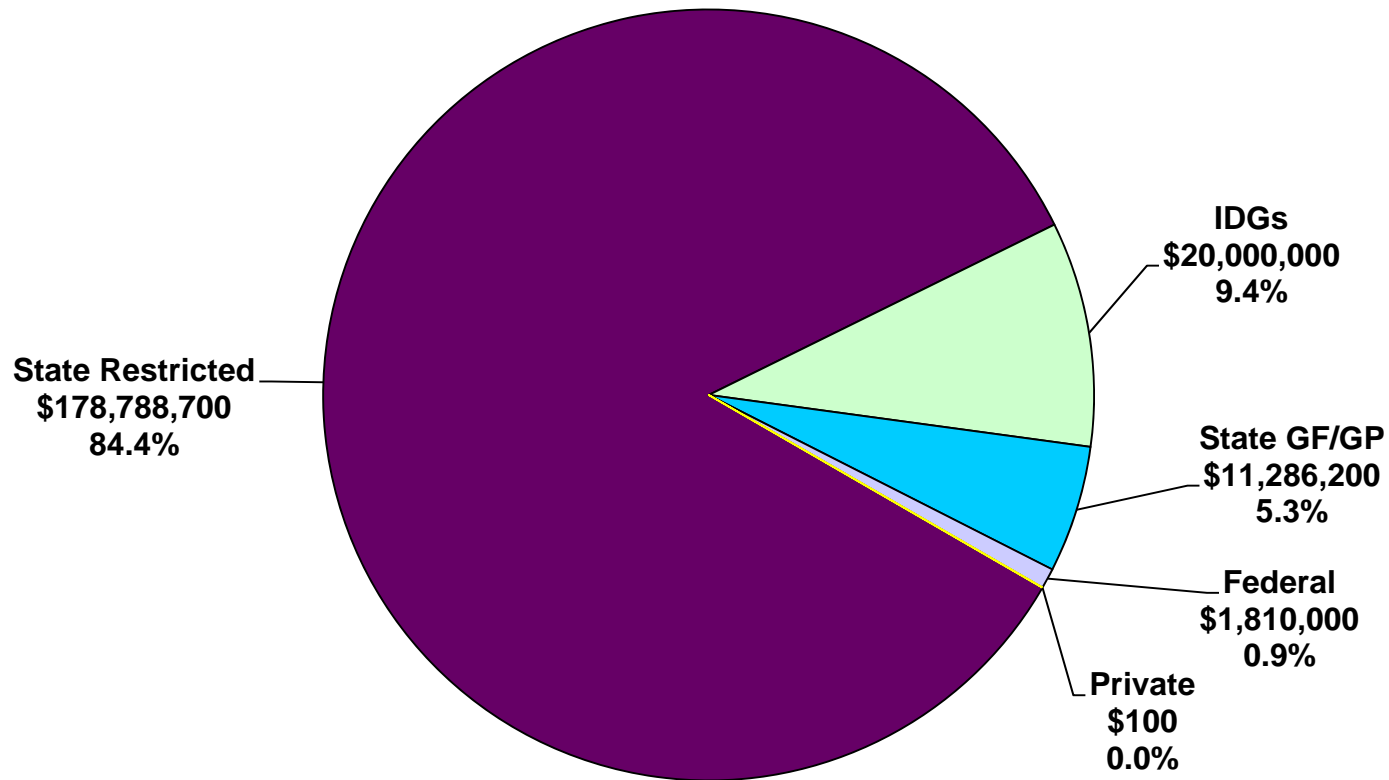


SOURCES OF FUNDING

Department of State Budget

State restricted funds, mostly transaction fee revenue, make up 84.4% of the budget.

FY 2011-12 State Budget = \$211,885,000



DEPARTMENT APPROPRIATIONS

Department of State Appropriations

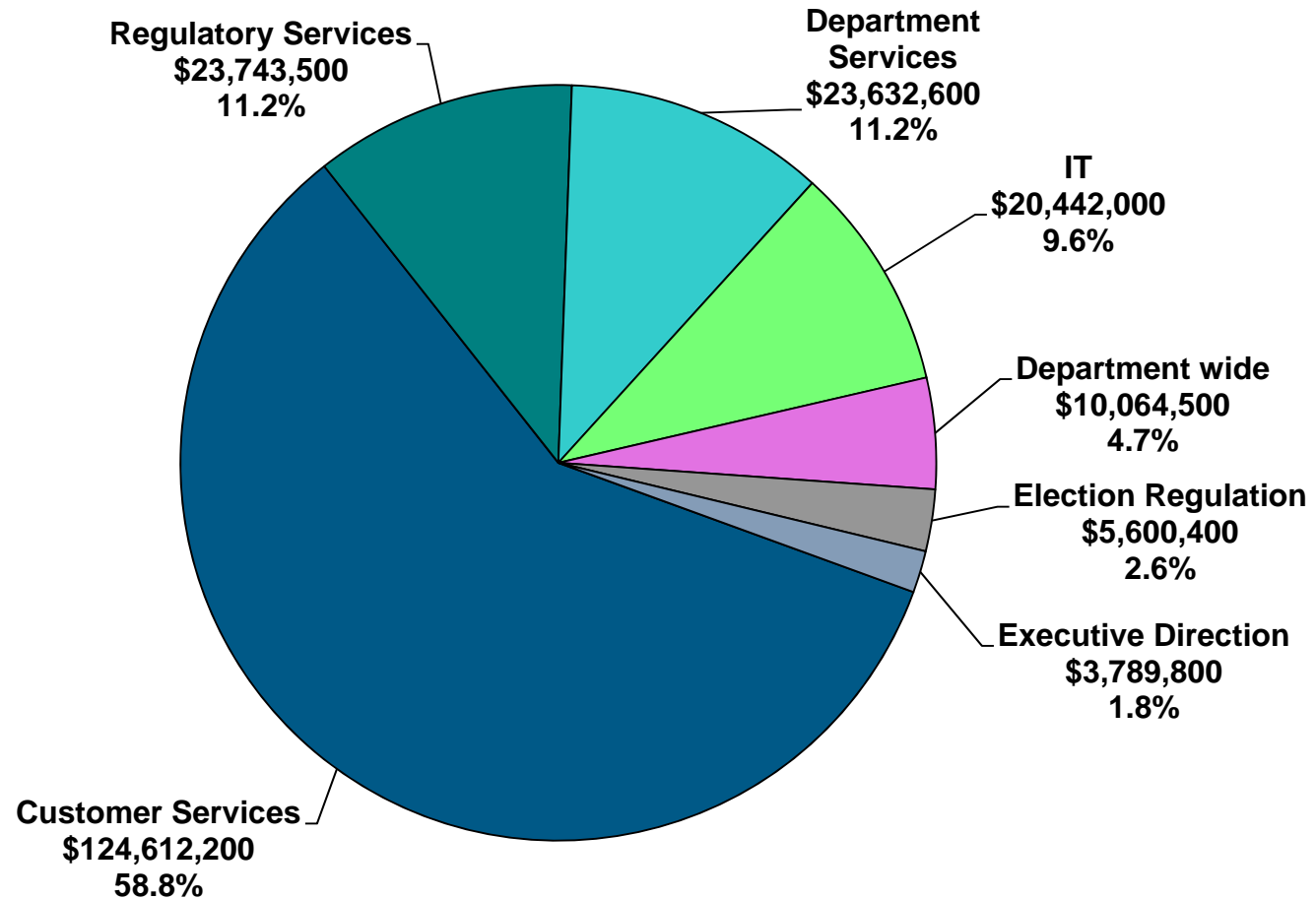
The State budget is allocated into the following major spending areas:

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

Department of State Appropriations

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

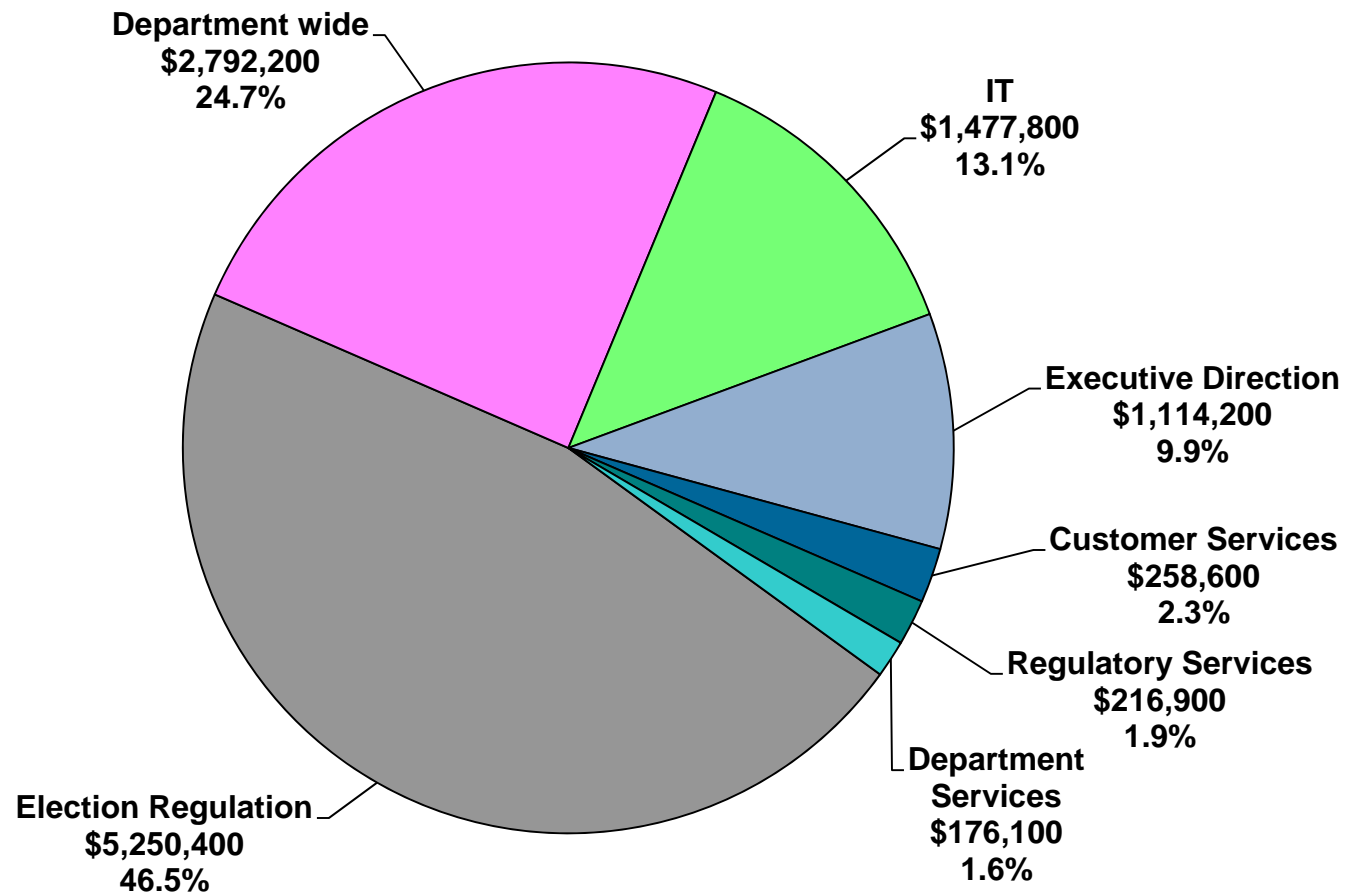
FY 2011-12 State Budget = \$211,885,000



Department of State GF/GP Appropriations

Election Regulation accounts for 46.5% of the GF/GP budget.

FY 2011-12 State GF/GP Budget = \$11,286,200



MAJOR BUDGET ISSUES

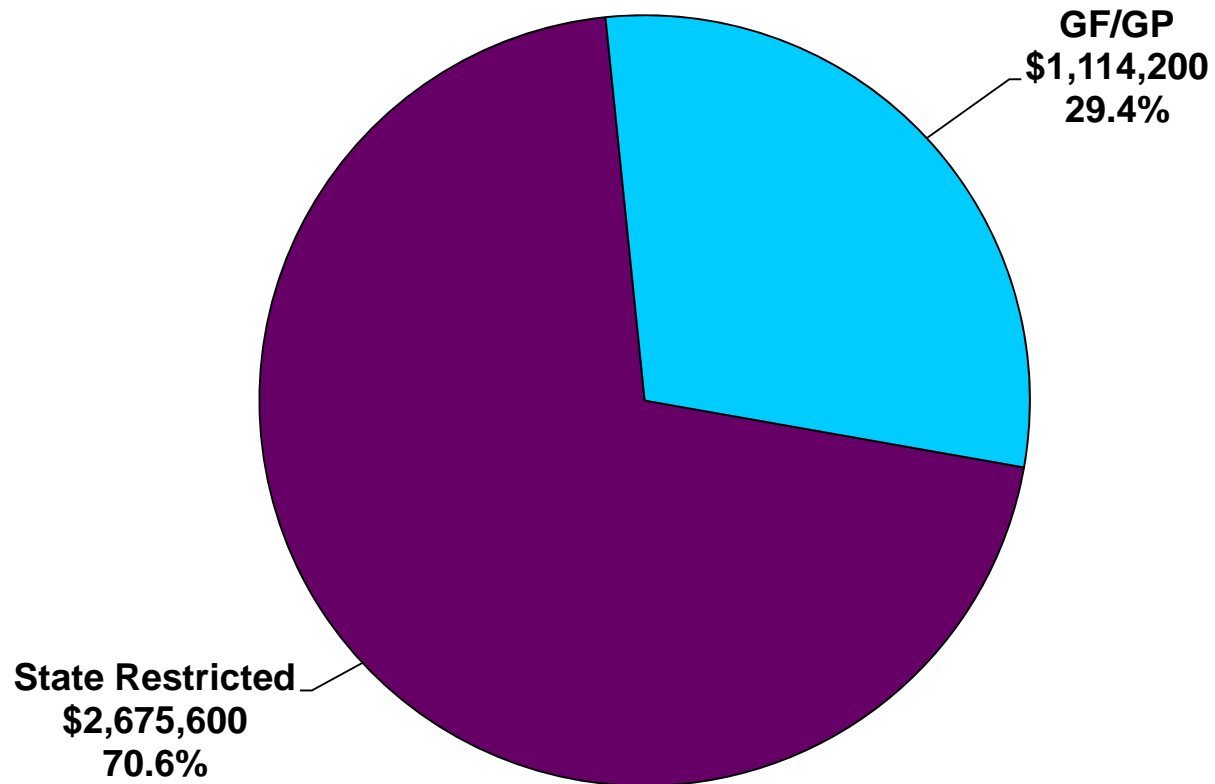
Executive Direction

- **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 2011-12 Total = \$3,789,800



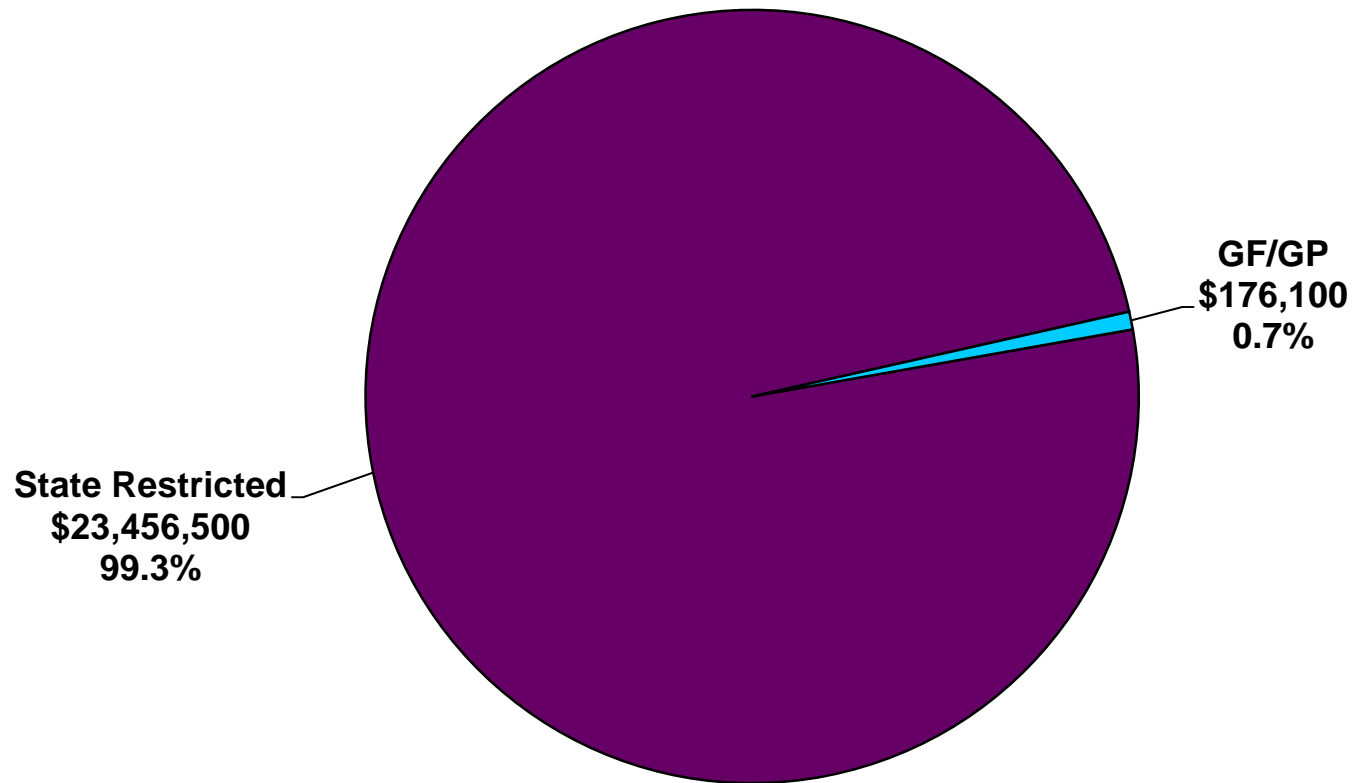
Department Services

- **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**

Department Services Appropriations by Revenue Source

FY 2011-12 Total = \$23,632,600



Regulatory Services

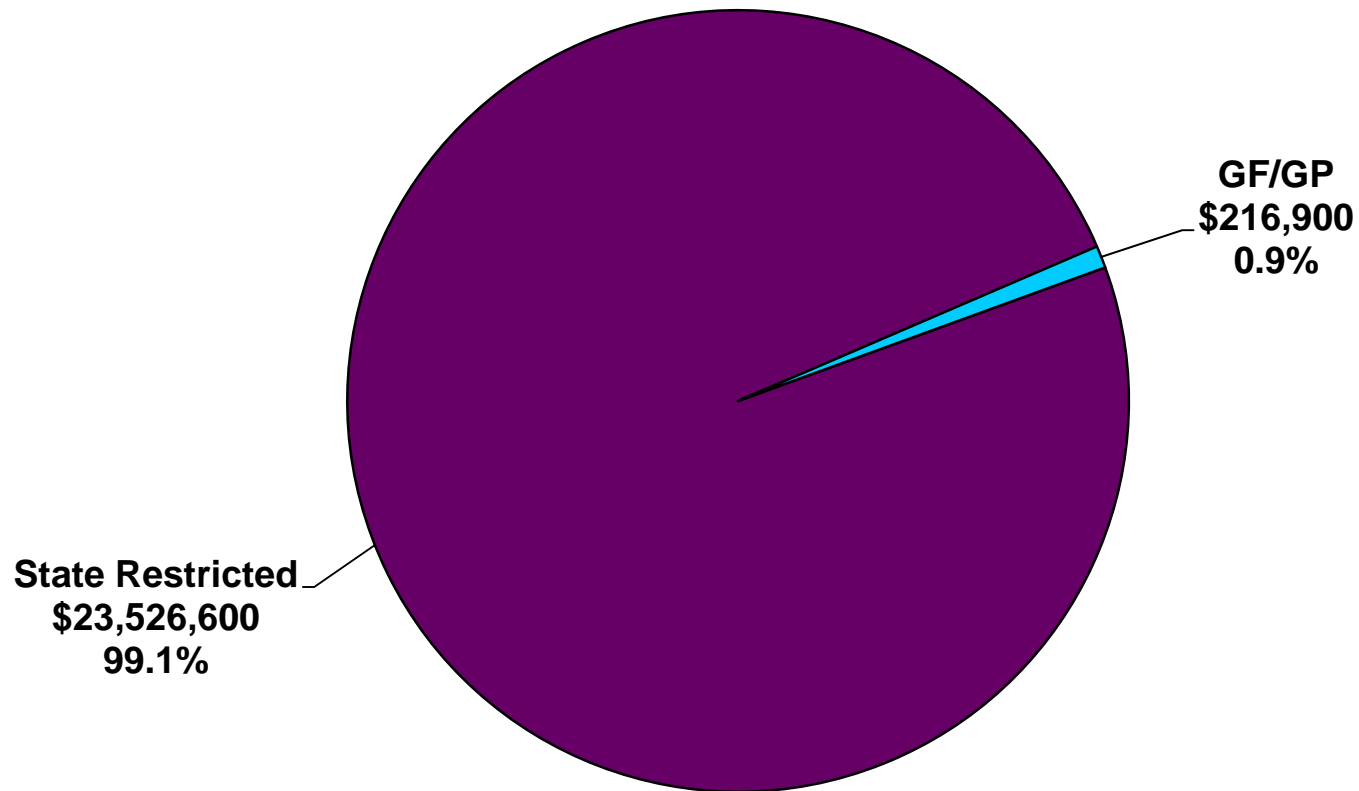
- **Legal and Regulatory Services Administration**
 - **Conducts regulatory appeal hearings**
 - **Acts as liaisons on legal matters with Attorney General's office, county prosecutors, and all affected customers**
 - **Provides advice and counsel to Department to ensure compliance with administrative 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**

Regulatory Services

- **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**
- **County clerk education and training**
- **Motorcycle Safety Education and Grant Program**

Regulatory Services Appropriations by Revenue Source

FY 2011-12 Total = \$23,743,500



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:**

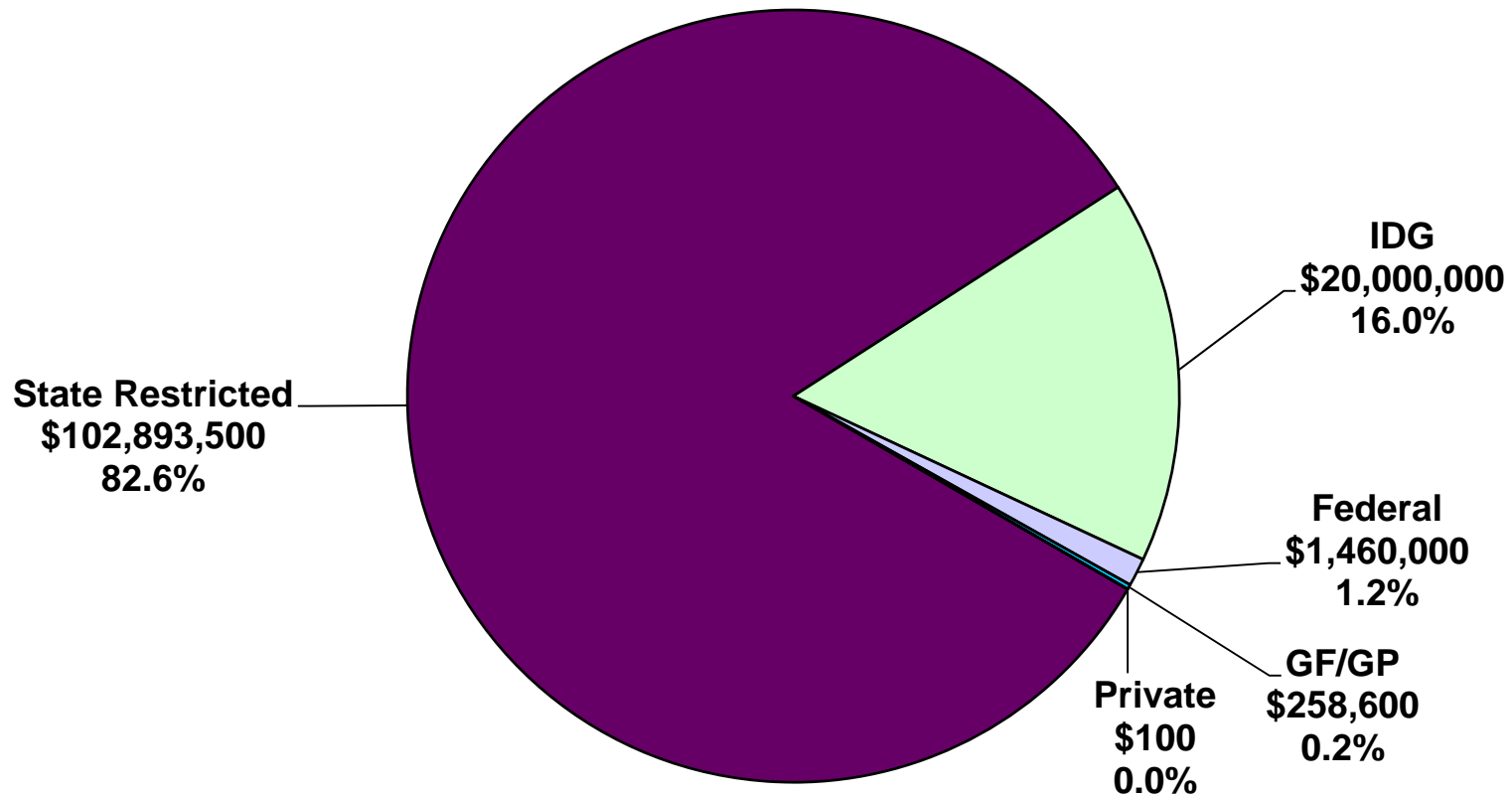
Agricultural Heritage	Children’s Trust Fund
Lighthouse Preservation	Veterans Memorial
Water Quality	Wildlife Habitat
Patriotic “Proud to Be American”	Support Our Troops
Northern Michigan University	
Olympic Education Center	

- **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 2011-12 Total = \$124,612,200



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

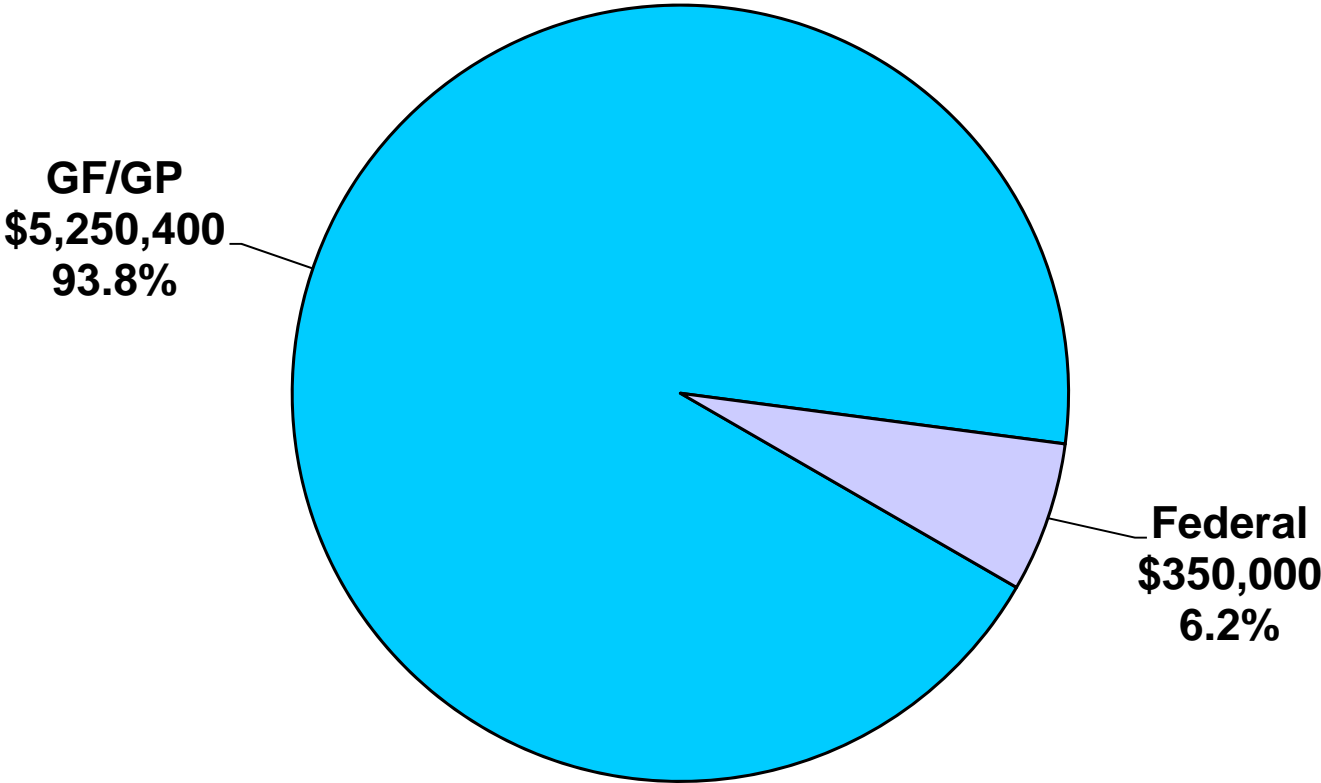
- **Qualified Voter File**
 - Maintain statewide voter registration database to prevent record duplication
 - Place qualified voters in their correct city or township of residence
 - Track voter jurisdiction moves

- **Help America Vote Act**

- **Election Regulation is funded with 6.2% federal and 93.8% state GF/GP**

Election Regulation by Revenue Source

FY 2011-12 Total = \$5,600,400

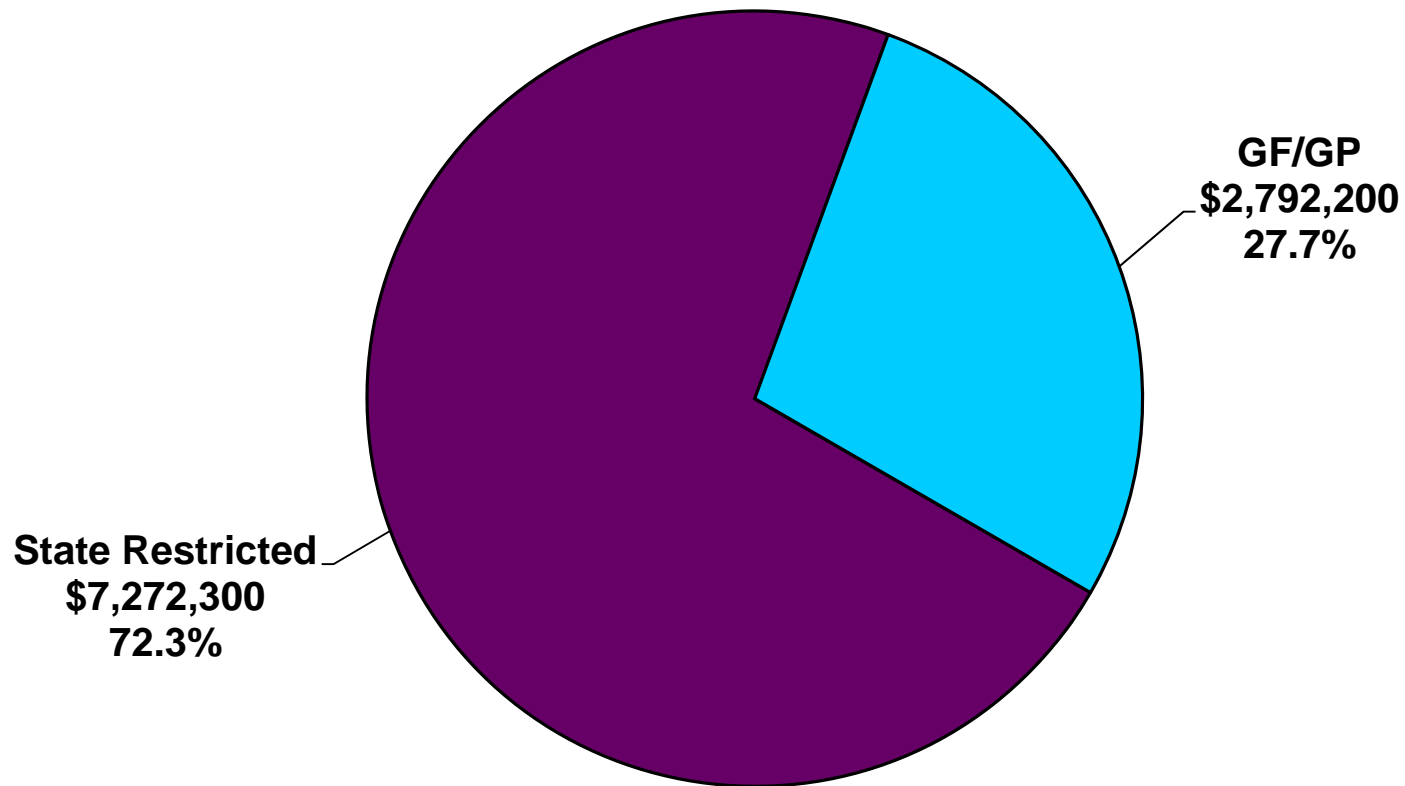


Departmentwide Appropriations

- **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 2011-12 Total = \$10,064,500

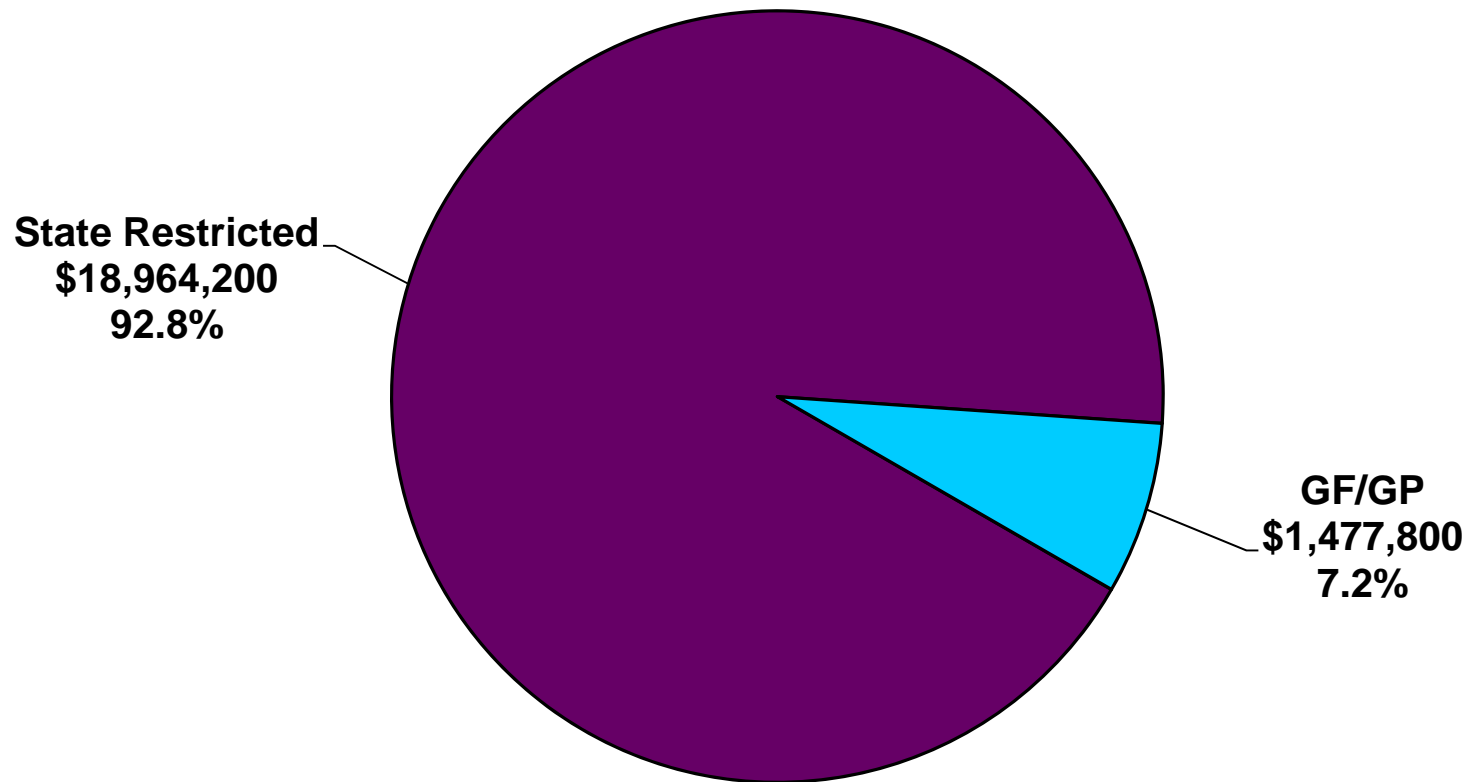


Information Technology (IT)

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

IT Appropriations by Revenue Source

FY 2011-12 Total = \$20,442,000



**For more information about the
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