

Michigan Department of State

Budget Presentation, **Fiscal Year 2018**

February 28, 2017



Department of State

Oldest and most public-facing department (131 branch offices)

- **Secretary of State**
 - Elected to four-year term (constitutional & statutory duties)
- **Operational Structure**
 - Executive Office
 - Customer Services, Department Services, and Legal Services
 - Bureau of Elections
- **Revenue and Budget**
 - Over \$2 Billion Collected Annually
 - FY18 Recommended Budget: **\$249 Million**
 - \$22.1 Million (8.9%) in GF/GP Funding
 - Represents .2% of State GF/GP



Role of the Department

- Driver Licensing & Vehicle Registrations
- Elections & Campaign Finance Administration
- Regulatory & Consumer Protection
- Office of the Great Seal
- Uniform Commercial Code
- Traffic Safety Awareness
- Organ Donation Promotion



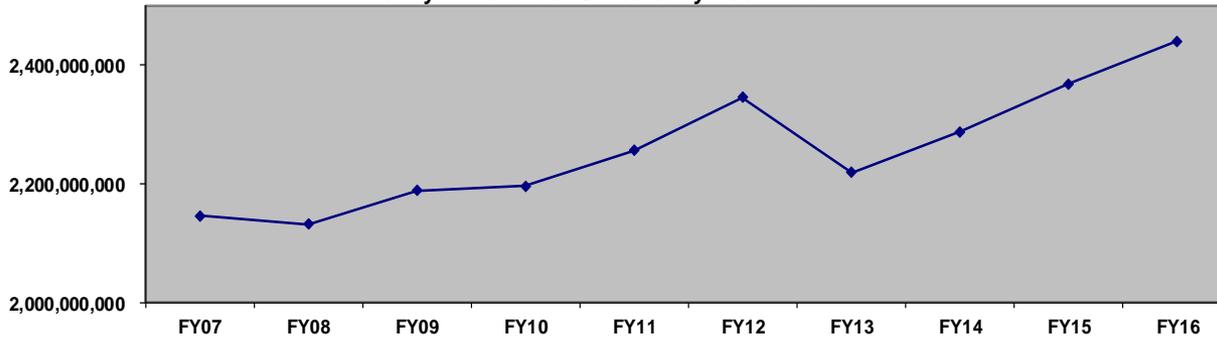
MDOS Revenue Collection

A historical fiscal year snapshot

<u>Fiscal Year</u>	<u>Total Fees Collected</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
FY16	\$2,441,006,141	\$72,206,214	3.0%
FY15	\$2,368,799,927	\$81,150,352	3.5%
FY14	\$2,287,649,575	\$68,857,742	3.1%
FY13	\$2,218,791,833	(\$126,266,273)	-5.4%
FY12	\$2,345,058,106	\$88,834,860	3.9%
FY11	\$2,256,223,246	\$59,678,849	2.7%
FY10	\$2,196,544,397	\$8,462,101	0.4%
FY09	\$2,188,082,296	\$56,379,247	2.6%
FY08	\$2,131,703,049	(\$13,781,920)	-0.6%
FY07	\$2,145,484,969		

\$2.4 Billion
Collected in FY16

History of Revenues Collected by Fiscal Year



MDOS FY16 Disbursements

Agency	Amount
Transportation	\$ 1,069,683,245
Education	747,284,700
General Fund	368,398,612
Department of State	181,461,603
Natural Resources	34,415,852
State Police	28,884,452
Environmental Quality	4,880,729
Supreme Court	2,421,683
Licensing & Regulatory Affairs	1,916,680
Agriculture	1,000,000
Treasury	306,300
Health & Human Services	173,020
State Housing Development Authority	125,770
Technology, Management & Budget	53,495
Total Collections	\$ 2,441,006,141

**\$1.8
Billion**
to roads and
education in FY16



MDOS Historical Ratio of Revenues to Expenditures

Fiscal Year	Revenue Collections	Expended (AY)	Ratio	General Fund Collections
FY16	\$2,441,006,141	\$223,879,735	9.2%	\$368,398,612
FY15	\$2,368,799,927	\$218,115,575	9.2%	\$359,683,317
FY14	\$2,287,649,575	\$206,756,259	9.0%	\$348,795,093
FY13	\$2,218,791,833	\$196,576,300	8.9%	\$340,528,237
FY12	\$2,345,058,106	\$192,477,300	8.2%	\$328,111,642
FY11	\$2,256,223,246	\$182,401,600	8.1%	\$314,009,823
FY10	\$2,196,544,397	\$181,619,200	8.3%	\$309,064,417
FY09	\$2,188,082,296	\$183,215,400	8.4%	\$315,224,958
FY08	\$2,132,332,864	\$195,665,000	9.2%	\$303,040,371
FY07	\$2,145,484,969	\$190,384,800	8.9%	\$307,417,726
FY06	\$2,150,989,235	\$194,636,000	9.0%	\$305,345,511

9%
of FY16 revenue used for MDOS operations

Note: FY06 through FY16 do not include the Help America Vote Act work projects



Michigan Department of State

FY 2018 Governor's Recommendation Summary

Fiscal Year 2017 Appropriation

\$248,015,600

Fiscal Year 2018 Governor's Recommendation

\$249,358,500

Program Decreases

■ Removal of One Time Voting Equipment Funding	(\$5,000,000)
■ Removal of FY17 Lump Sum Payments	(\$1,060,700)
	(\$6,060,700)

Program Increases

■ Office of Investigative Services	\$1,420,400
■ Lottery Pilot Expansion	\$1,015,800
■ Mi-Time Line Expansion	\$400,000
	\$2,836,200

Current Services Baseline Adjustments

■ Credit Card Service Fees	\$2,000,000
■ IT IDG Authorization True-Up	\$1,000,000
■ Restricted Revenue Authorization True-Up	(\$1,000,000)
■ \$3M Fund Shift from Driver Fees to GF due to PA 348 of 2016	\$0
■ Standard Economic Adjustments	\$2,567,400
(\$263,100 GF/GP; \$2,304,300 Restricted)	\$4,567,400

Total Increase **\$1,342,900**



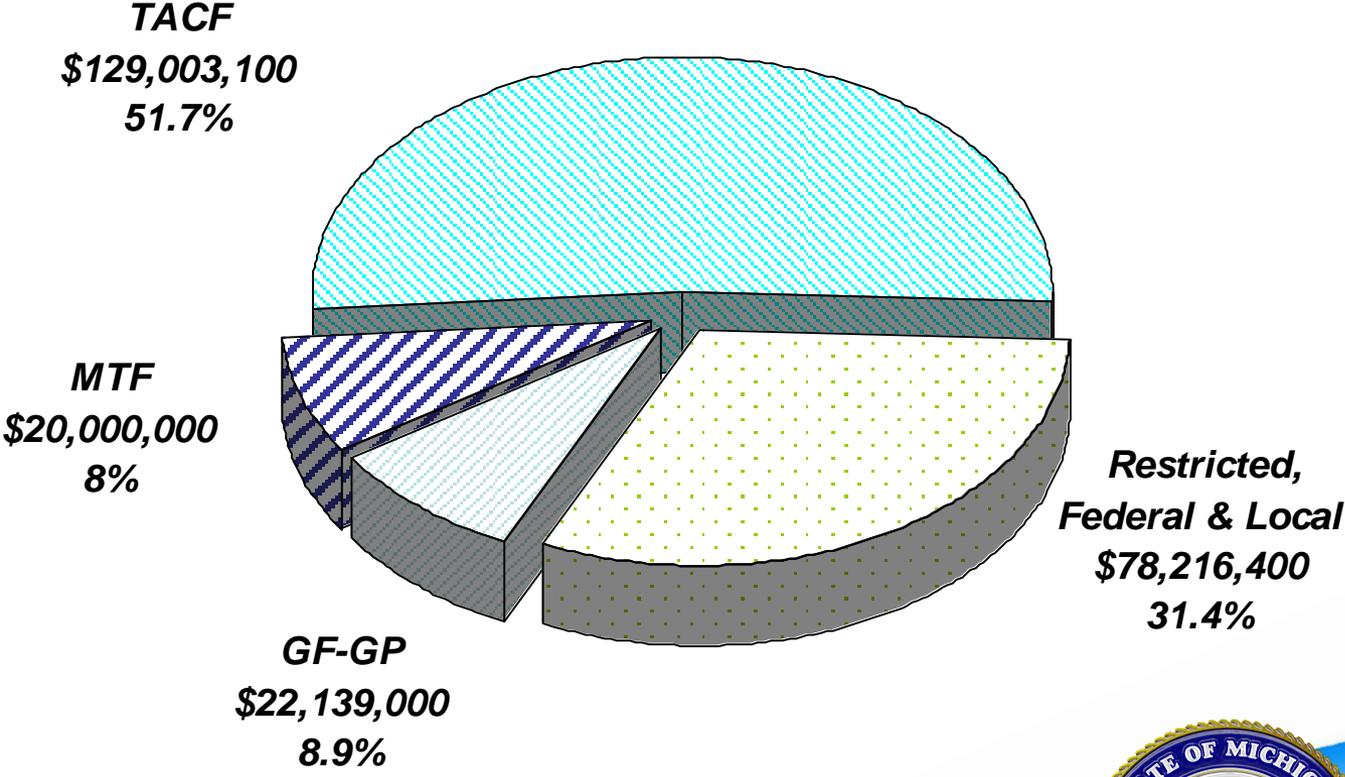
Key Program Changes

- **Office of Investigative Services – \$1.4M / 11 FTE**
 - 585 New Cases of Potential Fraud Reported each Year
 - Need for Additional Compliance & Enforcement Investigators
 - Proactive Approach to Detect and Prevent Future Fraud
 - Improve the Overall Integrity of Department Program Areas
 - Consumer Protection
- **Program Expansions**
 - Lottery Pilot Expansion – \$1M
 - Tickets Sales between \$600-\$50,000
 - No cash
 - 1% Commission on Sales
 - Mi-Time Line Expansion – \$400K for 20 additional offices
 - Program Goal – 50 Offices
 - High Customer Satisfaction



MDOS Funding Sources

FY 2018 Budget



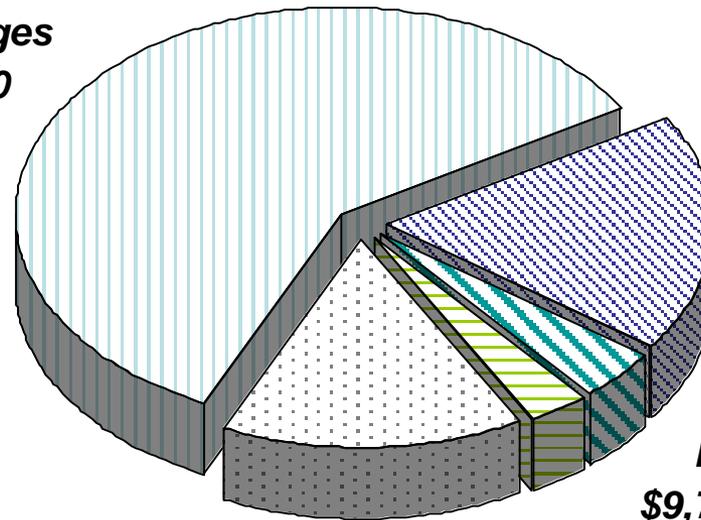
Total \$249,358,500



Major Spending Categories

MDOS FY 2018 Budget

Salaries & Wages
\$148,402,100
59.5%



CSSM
\$46,189,500
18.6%

Rent
\$9,758,300
3.9%

**Information
Technology**
\$37,452,100
15%

Postage
\$7,556,500
3%

Total \$249,358,500



Department Name: MDOS
 Executive/Director: M. Senyko
 Period: December 2016

MDOS Performance Measures

December 2016

Metric	Status	Trend	Target	Current	Previous
Customer/Constituent					
Information Center average response time	Green		6:00	5:04	6:12
Percent of favorable comment cards	Green		85%	85.3%	78%
Percent of transactions performed at ExpressSOS (online)	Red		20%	14%	8%
Percent of transactions performed in channels alternative to ExpressSOS in RBM/SST's	Green		15%	15%	18%
Average number of calendar days to issue standard driver licenses	Green	=	8	3	3
Branch office computer system availability	Green		98%	99%	100%
Average number of calendar days to issue standard vehicle titles	Green	=	6	4	4
Internal Business Process					
Percent of dealer license applicants who are free of major violations in their first year of licensing	Green		>90%	93%	97%
Elections Oversight					
Voter Participation—Number of Military and Overseas Ballots Cast (Nov 2016 election)	Green		10% increase over 2 year	17,344	1,111
Voter Registration	Green	=	100%	98%	98%

** Metric compares current odd-year election cycle to previous odd-year election cycle. Tracking of military and overseas ballots did not begin until 2012.

*Current numbers per November 2016 election

Legend: Green 90% or greater of target Trending better than previous month
Yellow >=75% to <90% of target = No change since previous month
Red <75% of target Trending worse than previous month



MDOS Quick Fact Sheet

Fiscal Year 2016

Customer Service and Operations

- 1,587 employees (average for FY16), down 25% from FY02
- 131 branch offices, down from 177 in FY02

Branch Transactions (FY16)

- 13 million transactions (50,000 per day)
- 579,816 change of address transactions
- 178,896 Saturday transactions
- 1.6 million MI-TIME Line customers

Online Transactions (FY16) – ExpressSOS.com and Legacy site

- 1.8 million online transactions
- 1.1 million tab renewals
- 170,217 driver license renewals

Other Transactions (FY16)

- 832,673 tab renewals via 77 self-service kiosks (up 19% from FY15)
- 1.78 million renewals by mail (up 1% from FY15)
- 17,775 calls and 1,868 email inquiries weekly
- 3,500 to 4,000 calls daily on the public toll-free line

Organ Donor Registry

- Nearly 2.4 million names added to Michigan's organ donor registry
- 305,825 names added in FY16

The Secretary of State oversees 30 million vehicle records and processes nearly 10 million vehicle registrations.

Points of Service Transaction

