

Michigan Department of State

Budget Presentation, **Fiscal Year 2019**

February 27, 2018



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
 - FY19 Recommended Budget: **\$254.7 Million**
 - \$18.5 Million (7.2%) 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



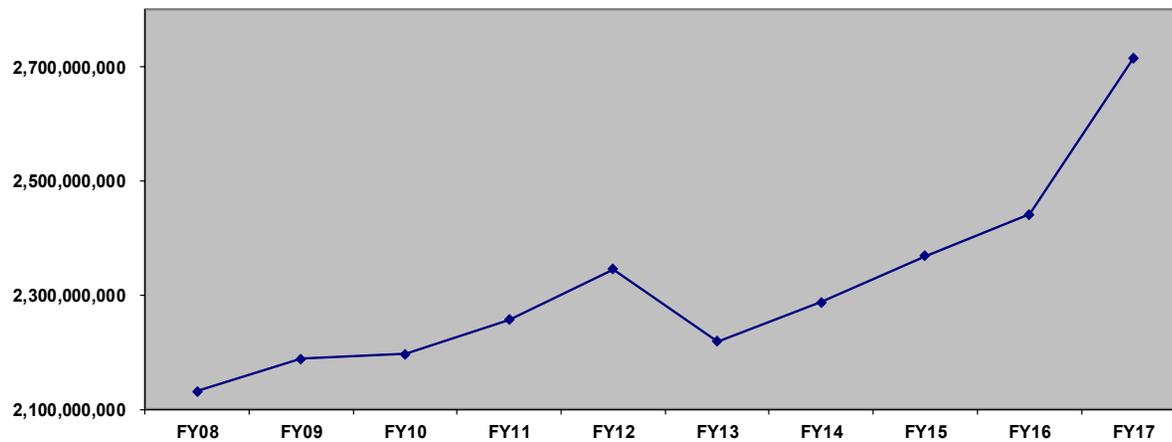
MDOS Revenue Collection

A historical fiscal year snapshot

<u>Fiscal Year</u>	<u>Total Fees Collected</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
FY17	\$2,714,001,785	\$272,995,644	11.2%
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		

\$2.7 Billion
Collected in FY17

History of Revenues Collected by Fiscal Year



MDOS FY17 Disbursements

Agency	Amount
Transportation	\$ 1,257,408,034
Education	773,870,032
General Fund	388,649,356
Department of State	217,829,385
Natural Resources	35,797,218
State Police	29,069,775
Environmental Quality	5,480,933
Supreme Court	2,265,978
Licensing & Regulatory Affairs	1,999,349
Agriculture	1,000,000
Treasury	298,850
Health & Human Services	161,410
State Housing Development Authority	120,290
Technology, Management & Budget	51,175
Total Collections	\$ 2,714,001,785

**\$2
Billion**
to roads and
education in FY17



MDOS Historical Ratio of Revenues to Expenditures

8.9%
of FY17 Revenue used for MDOS Operations

Fiscal Year	Revenue Collections	Expended (AY)	Ratio	General Fund Collections
FY17	\$2,714,001,785	\$240,941,650	8.9%	\$388,649,356
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

Note: FY07 through FY17 do not include the Help America Vote Act work projects



Michigan Department of State

FY 2019 Governor's Recommendation Summary

Fiscal Year 2018 Appropriation	\$249,358,500
Fiscal Year 2019 Governor's Recommendation	\$254,662,800

Program Increases

■ Maintain CDL Testing Kiosks	\$500,000
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	\$500,000

Current Services Baseline Adjustments

■ Driver License Contract Increase	\$925,000
■ IT IDG Authorization Increase	\$800,000
■ Standard Economic Adjustments	\$3,079,300
(\$475,600 GF/GP; \$2,603,700 Restricted)	<hr/>
	\$4,804,300

Total Increase \$5,304,300

Note: \$1,148,300 GF Reduction - Replaced with Restricted Revenue



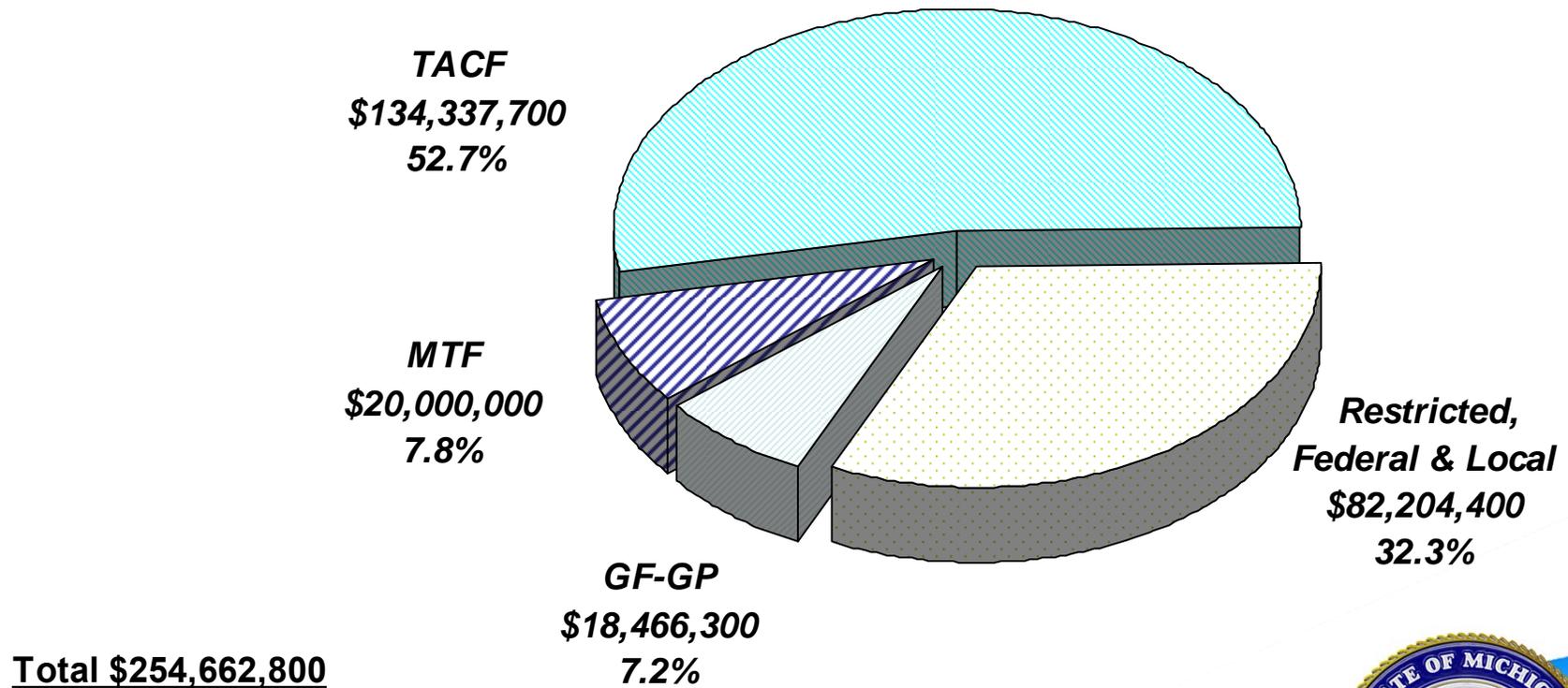
FY19 Governor's Recommendation

- **CDL Testing Kiosk Maintenance – \$500K**
 - Program Supported by Federal Grant since 2006
 - Grant Funding is No Longer Available for this Purpose
 - More Cost Effective than Administering Paper Tests
 - Prevents Fraud
 - Provides Better Customer Service
 - 484 CDL Testing Kiosks in 131 Branch Offices
- **Current Services Baseline Adjustments**
 - Driver License Contract Increase – \$925K
 - IT Budget Request to Cover Increased Costs – \$800K
 - Standard Economic Adjustments – \$3M



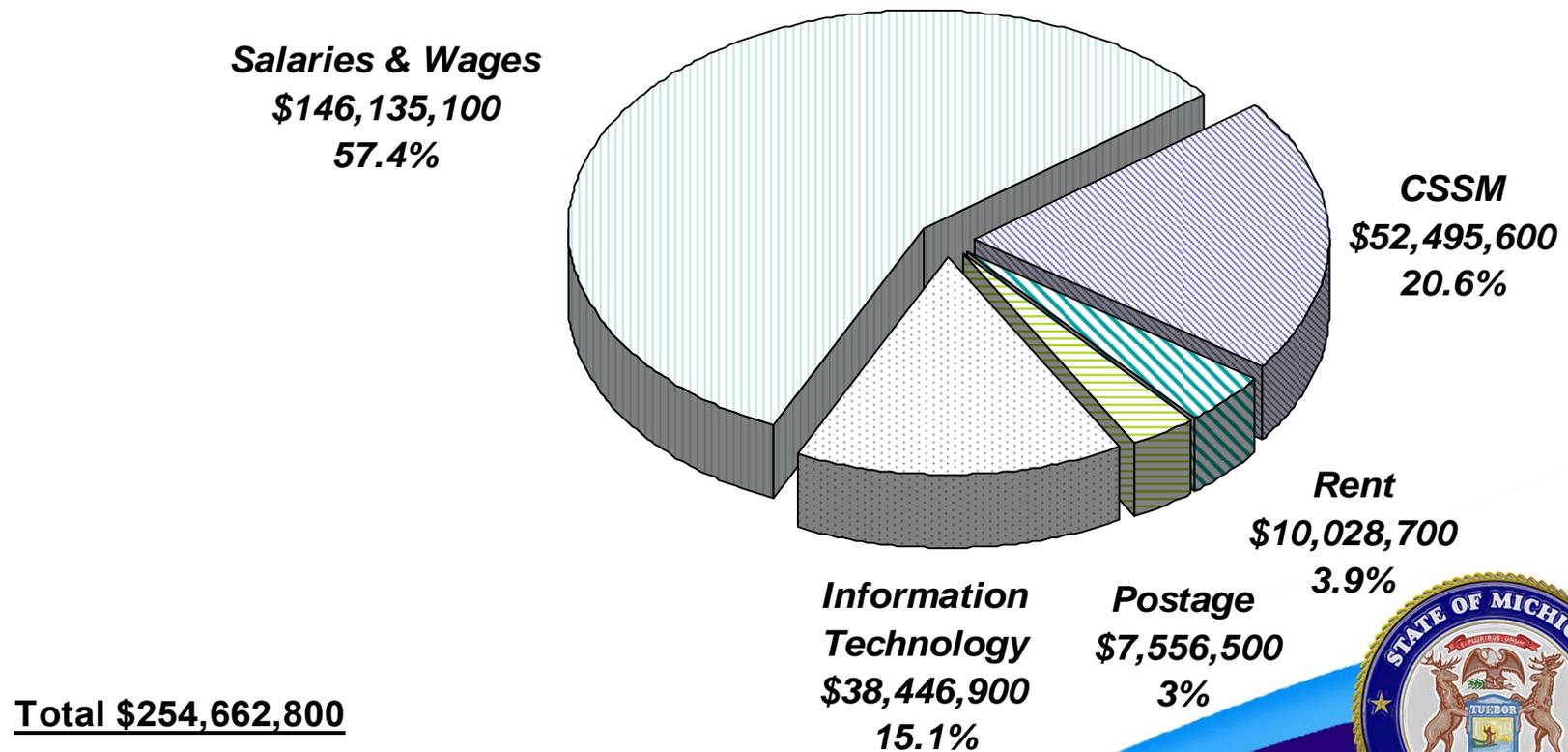
MDOS Funding Sources

FY 2019 Budget



Major Spending Categories

MDOS FY 2019 Budget



MDOS Top Ten Performance Measures

Department Name: MDOS
 Executive/Director: M. Senyko
 Period: December 2017

December 2017

Metric	Trend	Target	Current	Previous
Customer/Constituent				
Information Center average response time		6:00	6:40	8:20
Percent of favorable comment cards		85%	85.9%	85.9%
Percent of transactions performed at ExpressSOS (online)		20%	13%	12%
Percent of transactions performed in channels alternative to ExpressSOS in RBM/SST's		15%	16%	15%
Average number of calendar days to issue standard driver licenses		8	3.2	3.1
Branch office computer system availability		98%	100%	100%
Average number of calendar days to issue standard vehicle titles		6	4	4
Internal Business Process				
Percent of dealer license applicants who are free of major violations in their first year of licensing		>90%	96.1%	87.5%
Elections Oversight				
Voter Participation—Number of Military and Overseas Ballots Cast (November 2017 election)	N/A	10% increase over 2 year cycle	293,318	N/A
Voter Registration		100%	95%	95%

*Current numbers per November 2017 election

Legend

	90% or more than target value		Between 90% and 75% of target value		Below 75% of target value
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MDOS Quick Fact Sheet

Fiscal Year 2017

Customer Service and Operations

- 1,556 employees (average for FY17), down 25% from FY02
- 131 branch offices, down from 177 in FY01

Branch Transactions (FY17)

- 12.6 million transactions (50,000 per day)
- 527,534 change of address transactions
- 189,234 Saturday transactions
- 2.1 million MI-TIME Line customers

Online Transactions (FY17) – ExpressSOS.com and Legacy site

- 2.2 million online transactions
- 1.3 million tab renewals
- 178,699 driver license renewals

Other Transactions (FY17)

- 807,255 tab renewals via 79 self-service kiosks (up 75% from FY12)
- 1.61 million renewals by mail (down 10% from FY16)
- 15,488 calls and 1,168 email inquiries weekly
- 3,098 average daily calls on the public toll-free line

Organ Donor Registry

- More than 2.7 million names added to Michigan's organ donor registry
- 311,488 names added in FY17

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

Points of Service Transaction

