

Michigan Department of State

Budget Presentation, Fiscal Year 2026

May 2025



Role of the Department

Driver/Vehicle Services

- Driver Licensing
- Vehicle Registrations
- Regulatory & Consumer Protection
- Driver Education & Testing
- Uniform Commercial Code
- Organ Donation Promotion



Democracy Services

- Elections
- Campaign Finance
- Lobby Registration
- Office of the Great Seal



- **Collect money for the State**



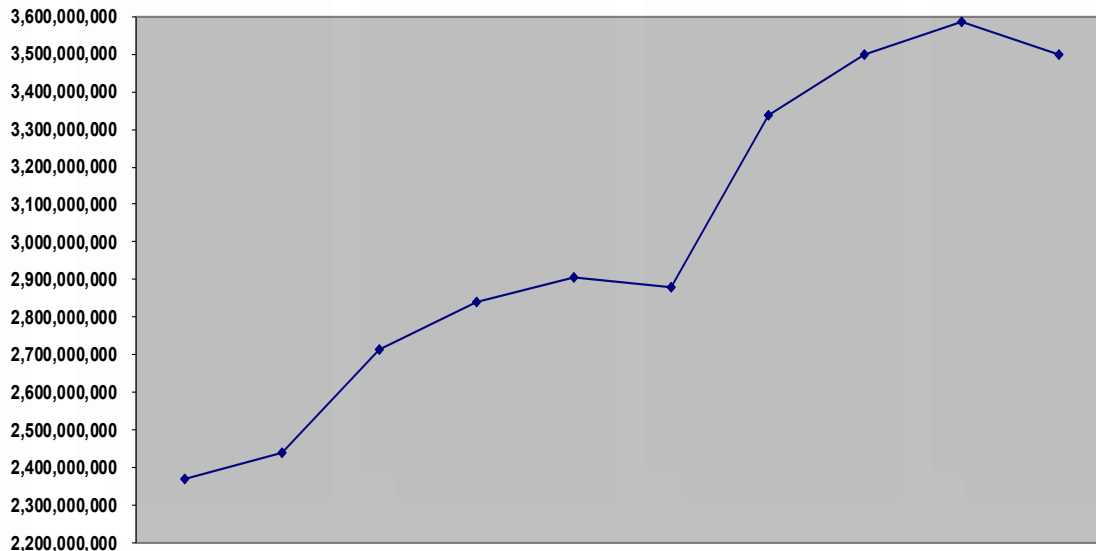
MDOS Revenue Collection

A historical fiscal year snapshot

<u>Fiscal Year</u>	<u>Total Fees Collected</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
FY24	\$3,499,615,163	(\$85,703,237)	-2.4%
FY23	\$3,585,318,400	\$86,833,512	2.5%
FY22	\$3,498,484,888	\$161,154,119	4.8%
FY21	\$3,337,330,769	\$459,322,469	16.0%
FY20	\$2,878,008,300	(\$28,214,019)	-1.0%
FY19	\$2,906,222,319	\$66,427,735	2.3%
FY18	\$2,839,794,584	\$125,792,799	4.6%
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		

\$3.5 Billion
Collected in FY24

History of Revenues Collected by Fiscal Year



MDOS FY24 Disbursements

Agency	Amount
Transportation	\$ 1,541,589,851
Education	1,081,843,744
General Fund	560,700,805
Department of State	228,028,437
Natural Resources	49,114,372
State Police	29,144,008
Environment, Great Lakes and Energy	4,569,964
Licensing & Regulatory Affairs	1,701,465
Supreme Court	1,039,680
Agriculture	1,000,000
Treasury	632,055
Health & Human Services	131,782
Michigan Strategic Fund	80,925
Technology, Management & Budget	38,075
Total Collections	\$ 3,499,615,163

**\$2.6
Billion**
to roads and
education in FY24



MDOS Ratio of Revenues to Expenditures

FY24 MDOS Expenditures	\$278,427,150
FY24 MDOS Collections	\$3,499,615,163

**Only 8 cents of every dollar
collected was used for
MDOS Operations**



Michigan Department of State

FY 2026 Governor's Recommendation Summary

FY25 Enacted Budget	\$291,839,900
FY26 Governor's Recommended Budget	\$296,597,400

Investment

■ Key Strategic Staffing Needs \$1,614,400

Current Services Baseline (CSB) Adjustments

■ State Restricted Revenue Alignment (\$440,200)

■ Standard Economic Adjustment \$3,583,300

Total Change **\$4,757,500**



FY26 Governor's Recommendation

Investment

Key Strategic Staffing Needs

- 4 FTE in Central Operations to adequately support technology efforts such as our new branch office system (CARS) which is continually upgraded to avoid another large system replacement in the future along with other new technology that is being added
- 8 FTE in Legal Services due to an increase in fraud, regulator non-compliance and audit findings in this area. Filling these positions will allow us to ensure customer protection and improve our service for Michiganders
- Currently have approximately 43 appropriated unfunded FTE
- Fixed fee restricted revenue collections have not kept up with inflationary cost increases over the last 20 years
- Does not increase overall FTE included in the budget



FY26 Governor's Recommendation

Current Services Baseline Adjustments

Standard Economic Adjustment – \$3,583,300

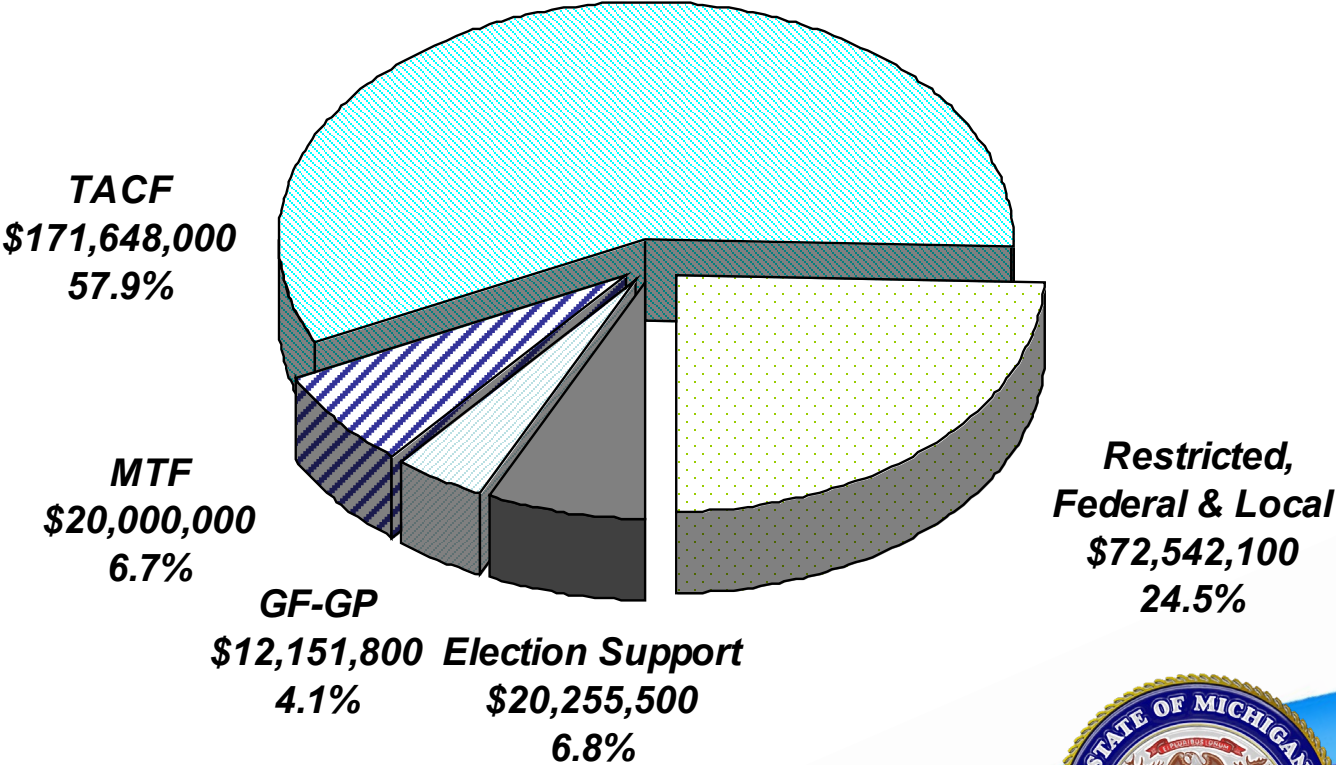
- \$182,700 from General Fund

State Restricted Revenue Alignment – (\$440,200)



MDOS Funding Sources

FY 2026 Budget



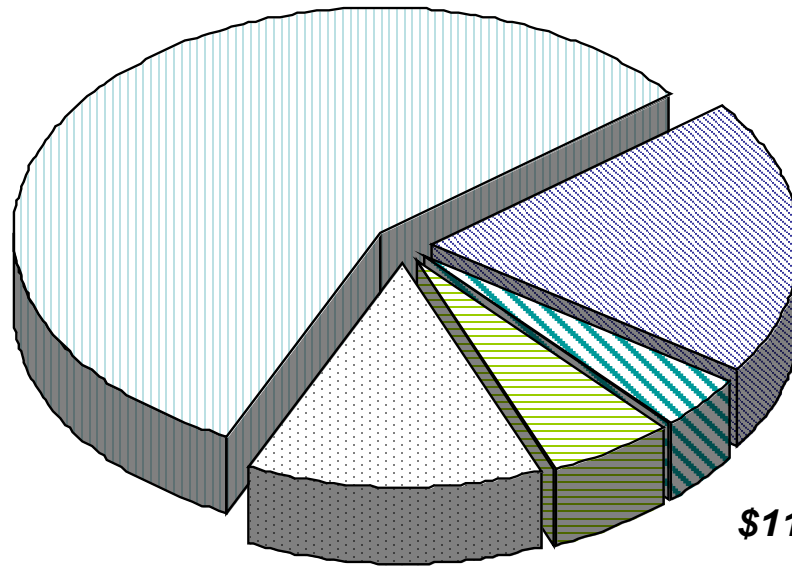
Total \$296,597,400



Major Spending Categories

MDOS FY 2026 Budget

Salaries & Wages
\$170,762,900
57.6%



CSSM
\$59,324,000
20%

Rent
\$11,061,800
3.7%

**Information
Technology**
\$39,001,200
13.1%

Postage
\$16,447,500
5.6%

Total \$296,597,400



FY25 Supplemental Request

HAVA Security Grant Authorization - \$9.6M

- Reappropriation of \$5.72M of unspent previously appropriated grant funding in a work project that expired in FY24
- \$1M in grant funding received in FY24 to support election security related initiatives plus interest earned

