



## **Background Briefing**

# **DEPARTMENT OF STATE**

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**January 2011**

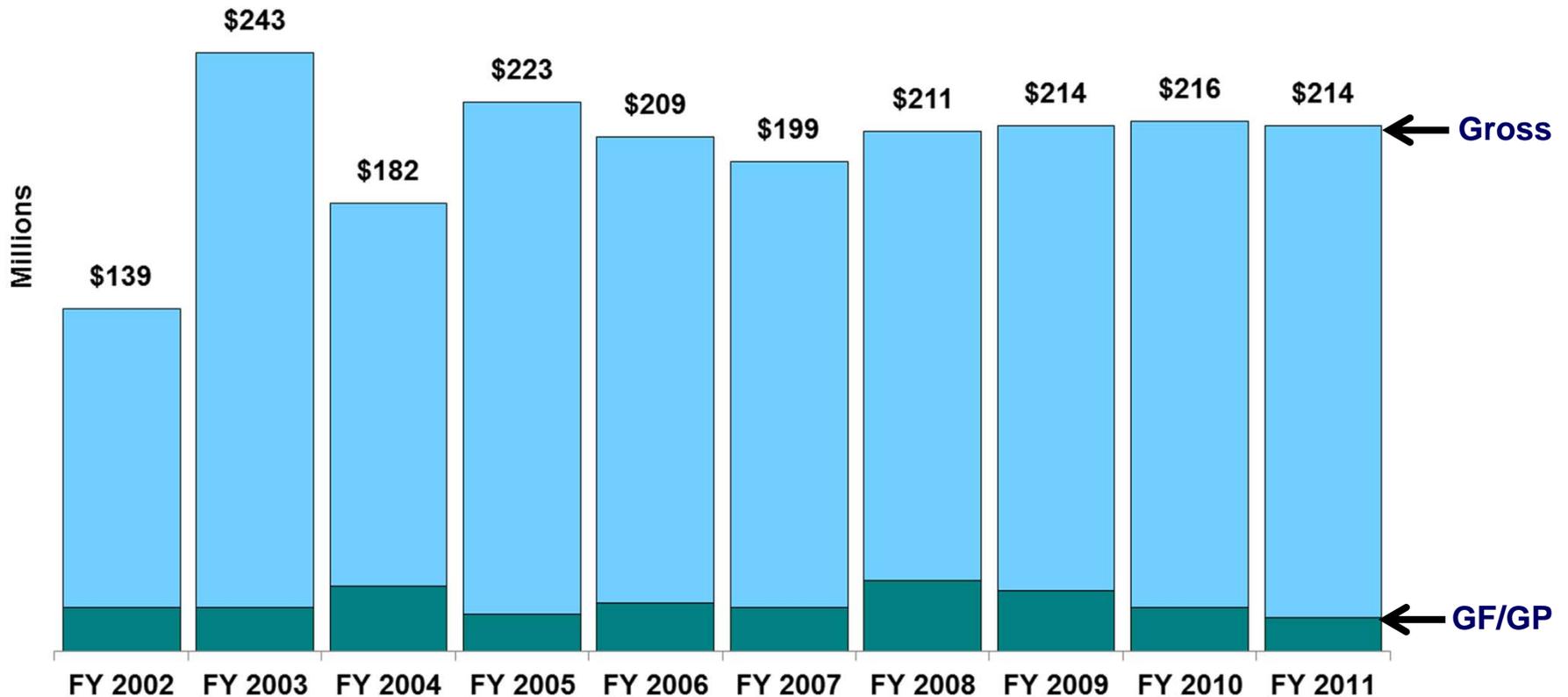
**The fiscal information in this background briefing is based on data through January 1, 2011.**

# 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

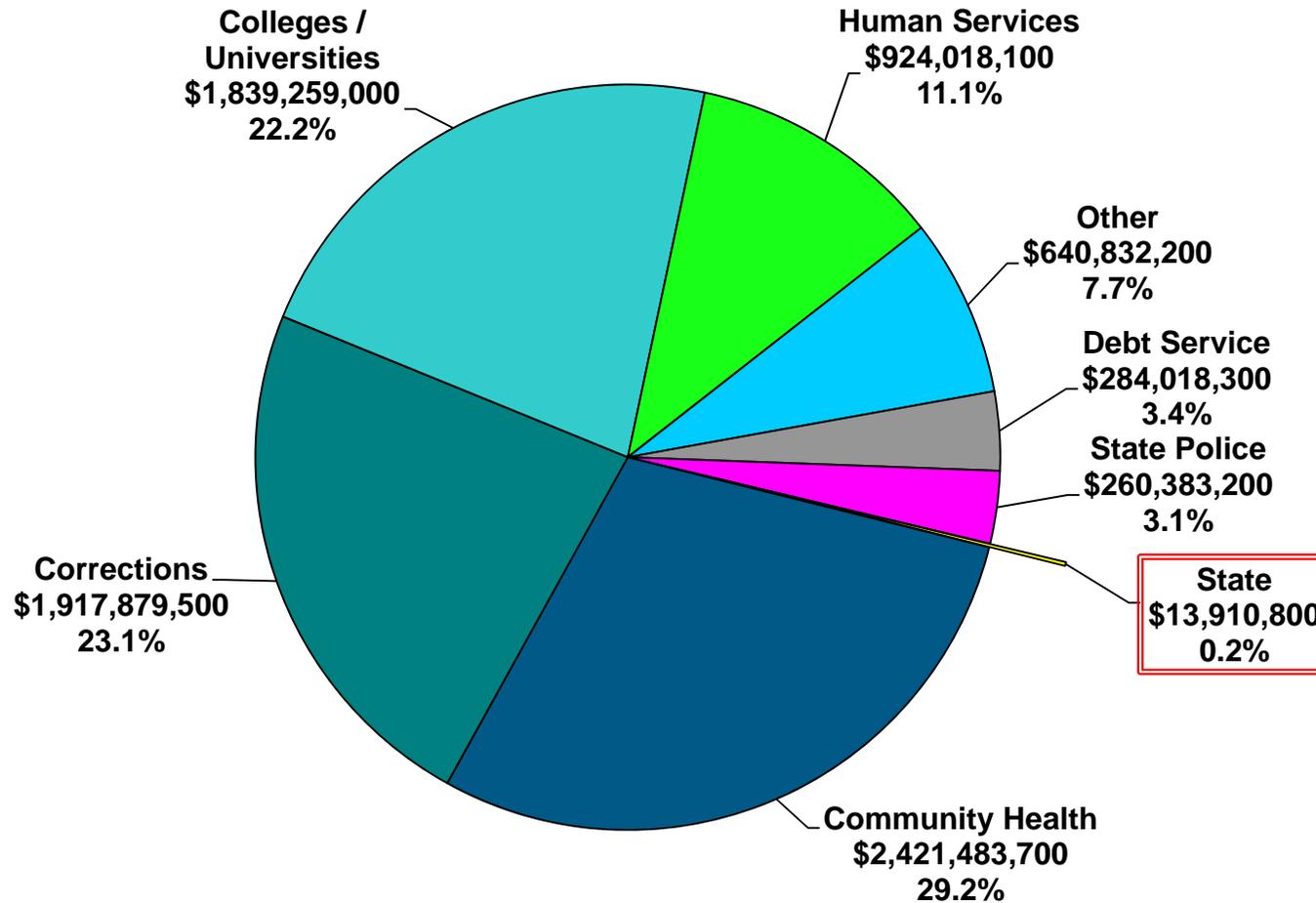
Spending increases primarily due to technology enhancements; large increase in FY 2004-05 due to federal Help America Vote Act grant funding; decreases due to budget reductions.



# Department of State Share of State GF/GP

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

FY 2010-11 GF/GP Total = \$8,301,784,800

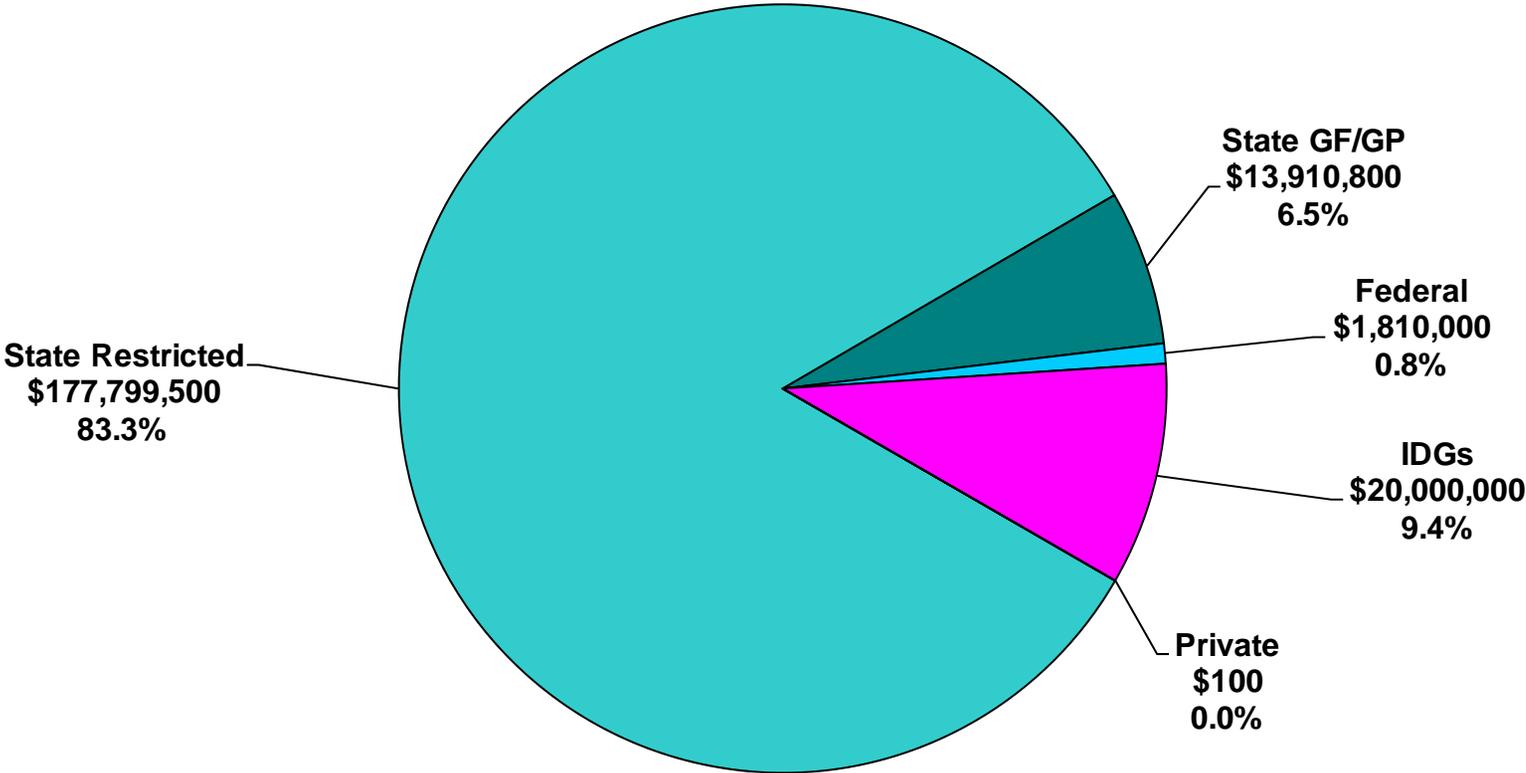


# **SOURCES OF FUNDING**

# Department of State Funding Sources

State restricted funds make up 83.3% of the budget.

FY 2010-11 State Budget = \$213,520,400



# **DEPARTMENT APPROPRIATIONS**

# Department of State Appropriations

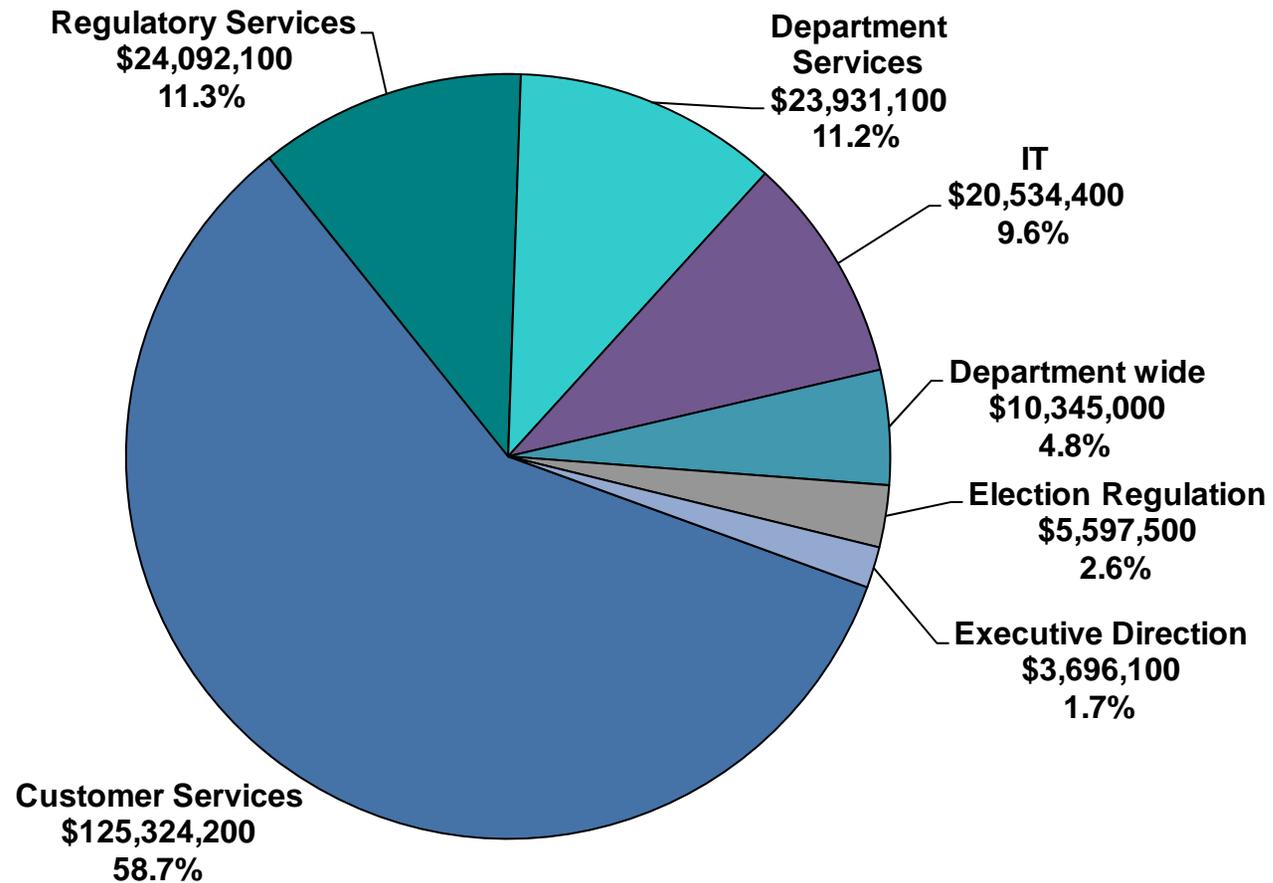
The State budget is allocated into the following major spending areas:

- 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.

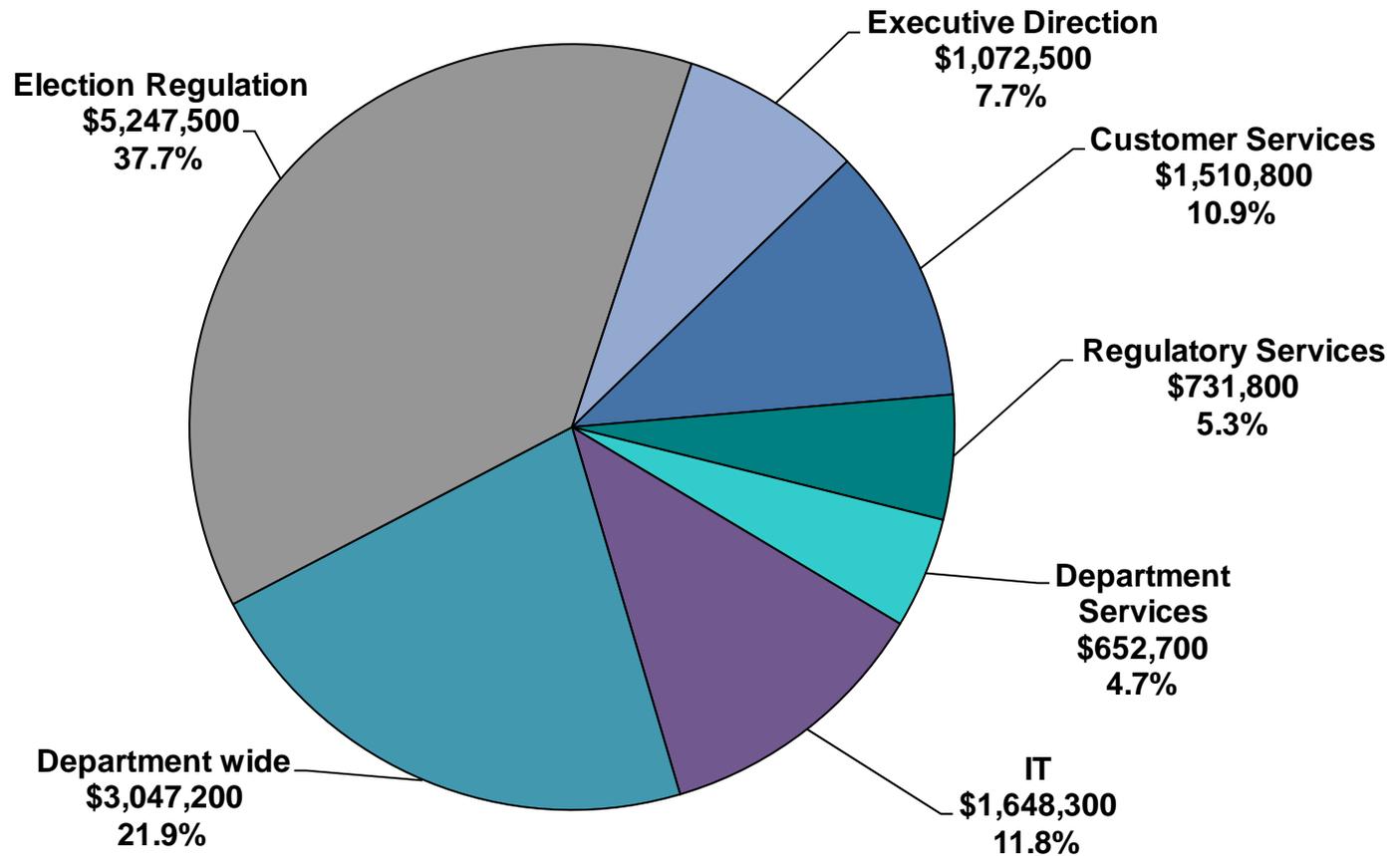
FY 2010-11 State Budget = \$213,520,400



# Department of State GF/GP Appropriations

Election Regulation accounts for 37.7% of the GF/GP budget.

FY 2010-11 State GF/GP Budget = \$13,910,800



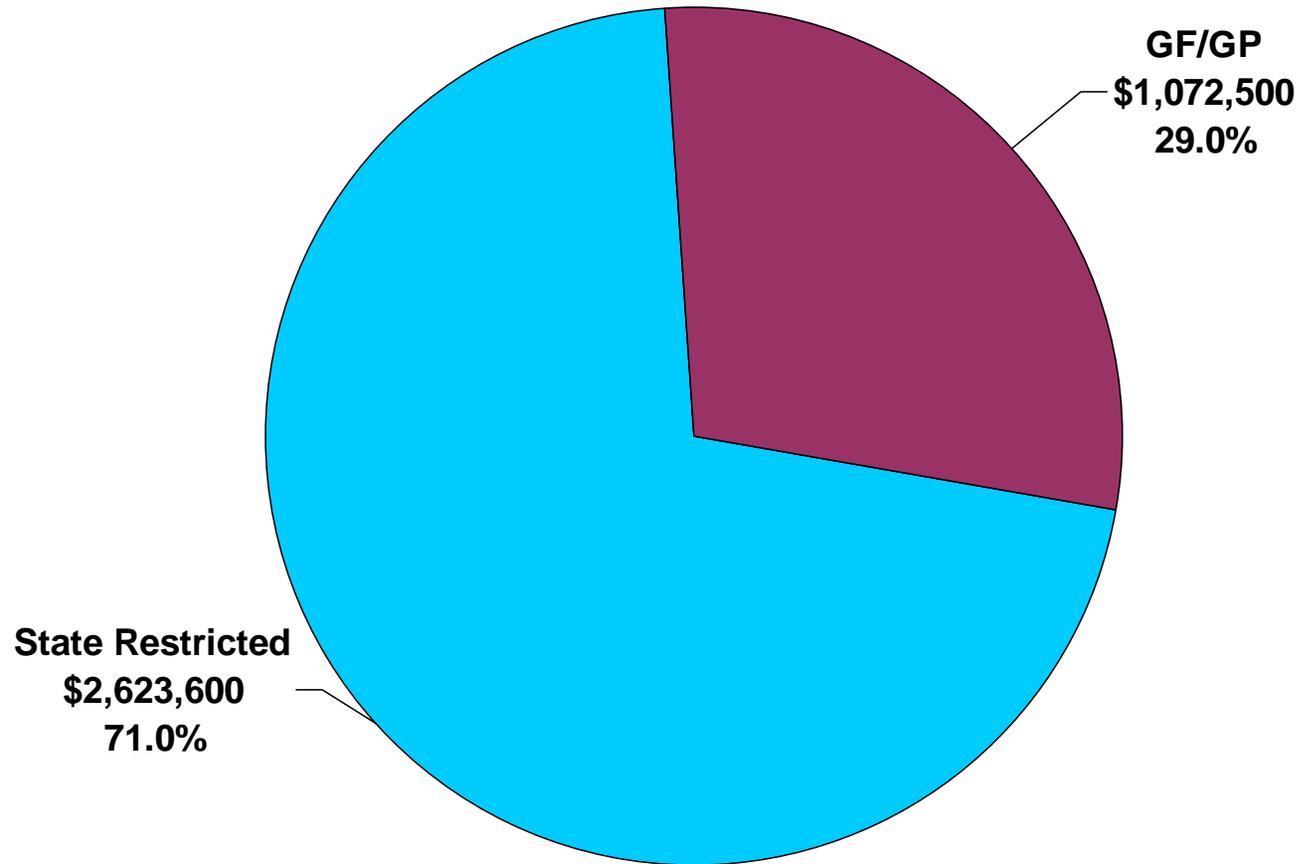
# **MAJOR BUDGET ISSUES**

# 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 2010-11 Total = \$3,696,100

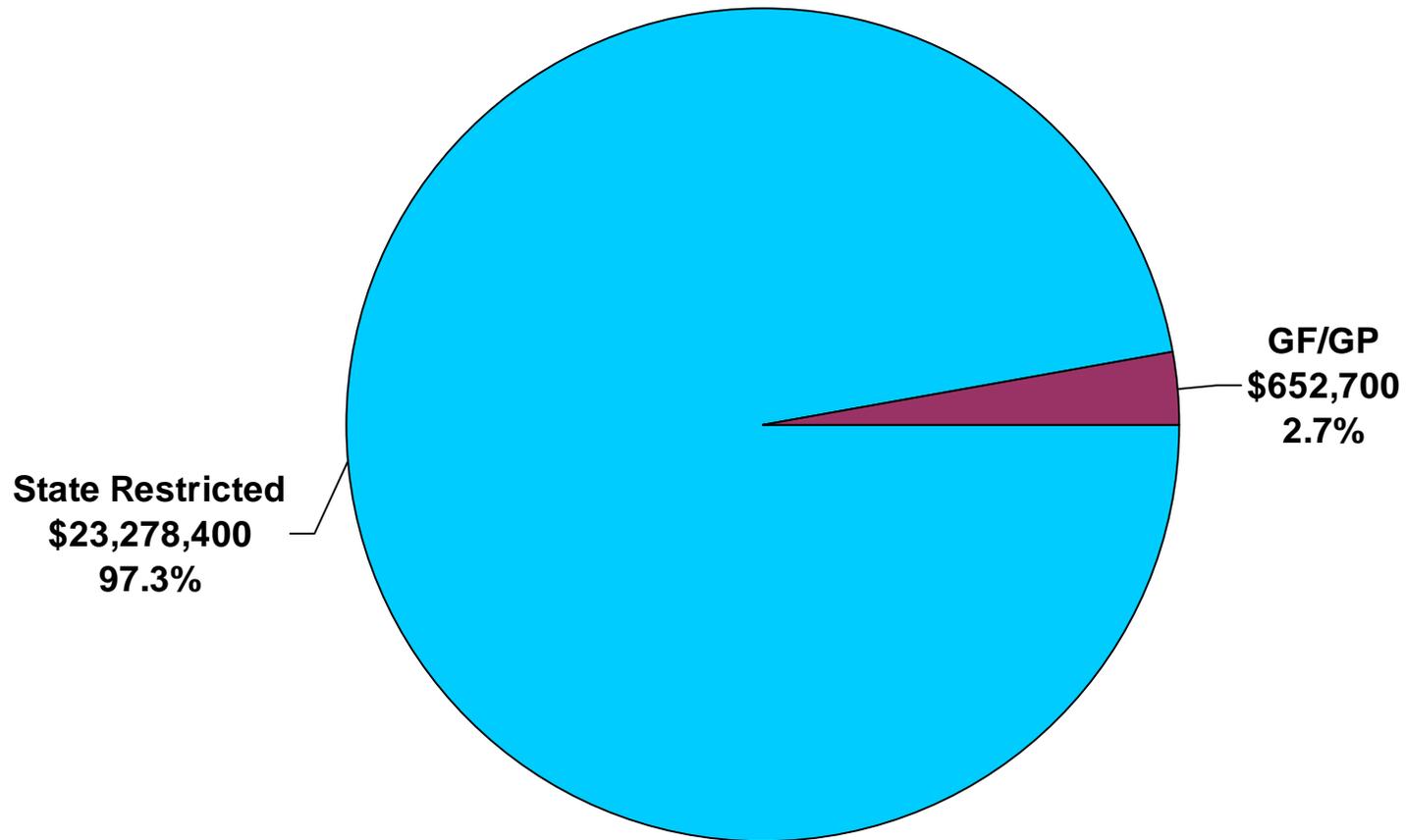


# Department Services

- **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 2010-11 Total = \$23,931,100



# Regulatory Services

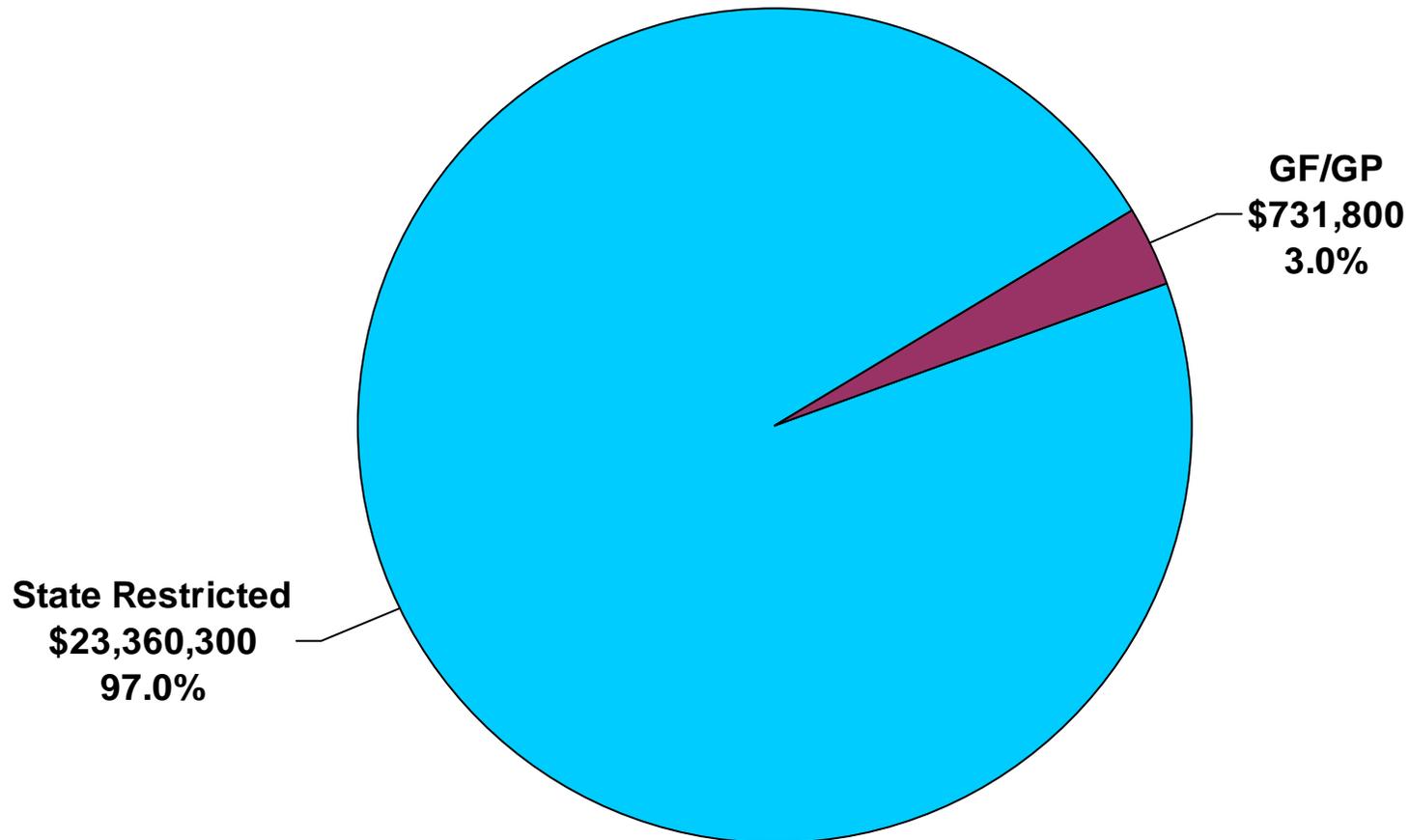
- **Legal and Regulatory Services Administration**
  - **Conducts regulatory appeal hearings**
  - **Acts as liaisons on legal matters with Attorney General's office, county prosecutors, and all affected customers**
  - **Provides advice and counsel to Department to ensure compliance with administrative 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 2010-11 Total = \$24,092,100



# Customer Delivery Services

- **Operates 145 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

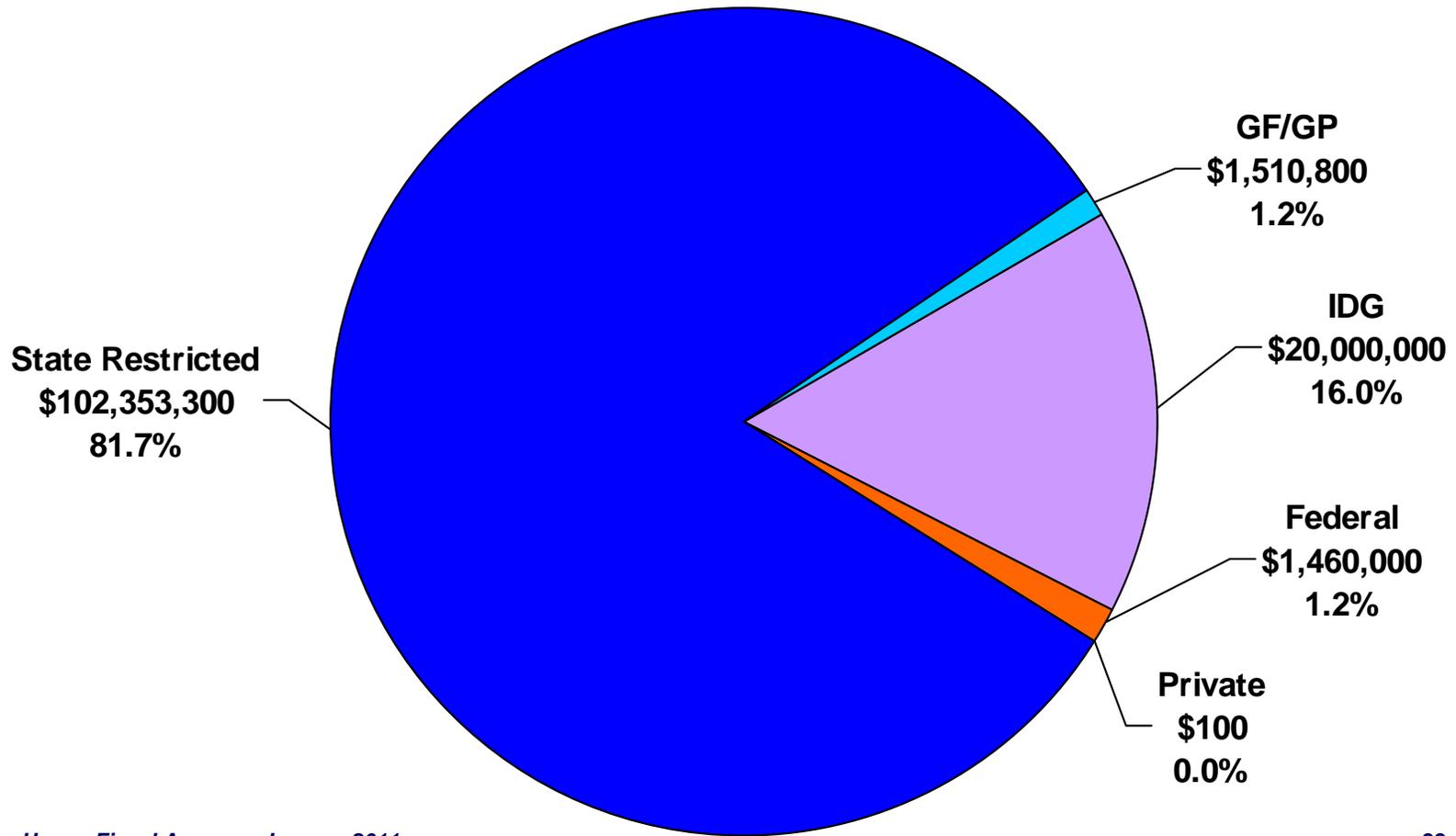
- **Motorists pay \$35 in addition to the annual registration fee**
  - \$10 for administration (plate production/distribution)
  - \$25 donated to the sponsoring cause
  - Annual renewal is \$10 (donated to the sponsoring cause)
  
- **Specialty License Plates:**

<b>Agricultural Heritage</b>	<b>Children's Trust Fund</b>
<b>Lighthouse Preservation</b>	<b>Veterans Memorial</b>
<b>Water Quality</b>	<b>Wildlife Habitat</b>
<b>Patriotic "Proud to Be American"</b>	<b>Support Our Troops</b>
<b>Northern Michigan University</b>	
<b>Olympic Education Center</b>	
  
- **University License Plates:**

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

# Customer Delivery Services Appropriations by Revenue Source

FY 2010-11 Total = \$125,324,200

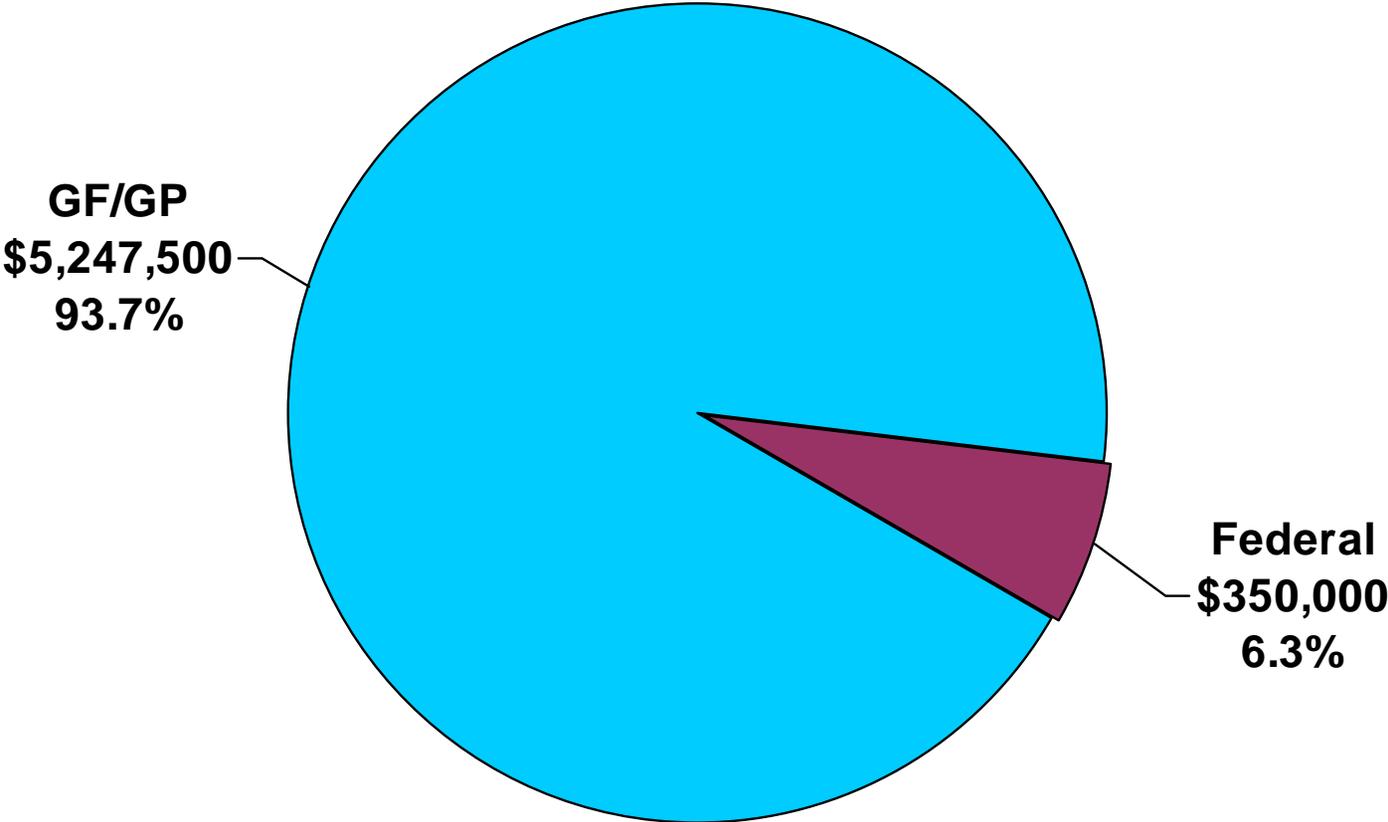


# Election Regulation

- **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 6.3% federal and 93.7% state GF/GP**

# Election Regulation by Revenue Source

FY 2010-11 Total = \$5,597,500

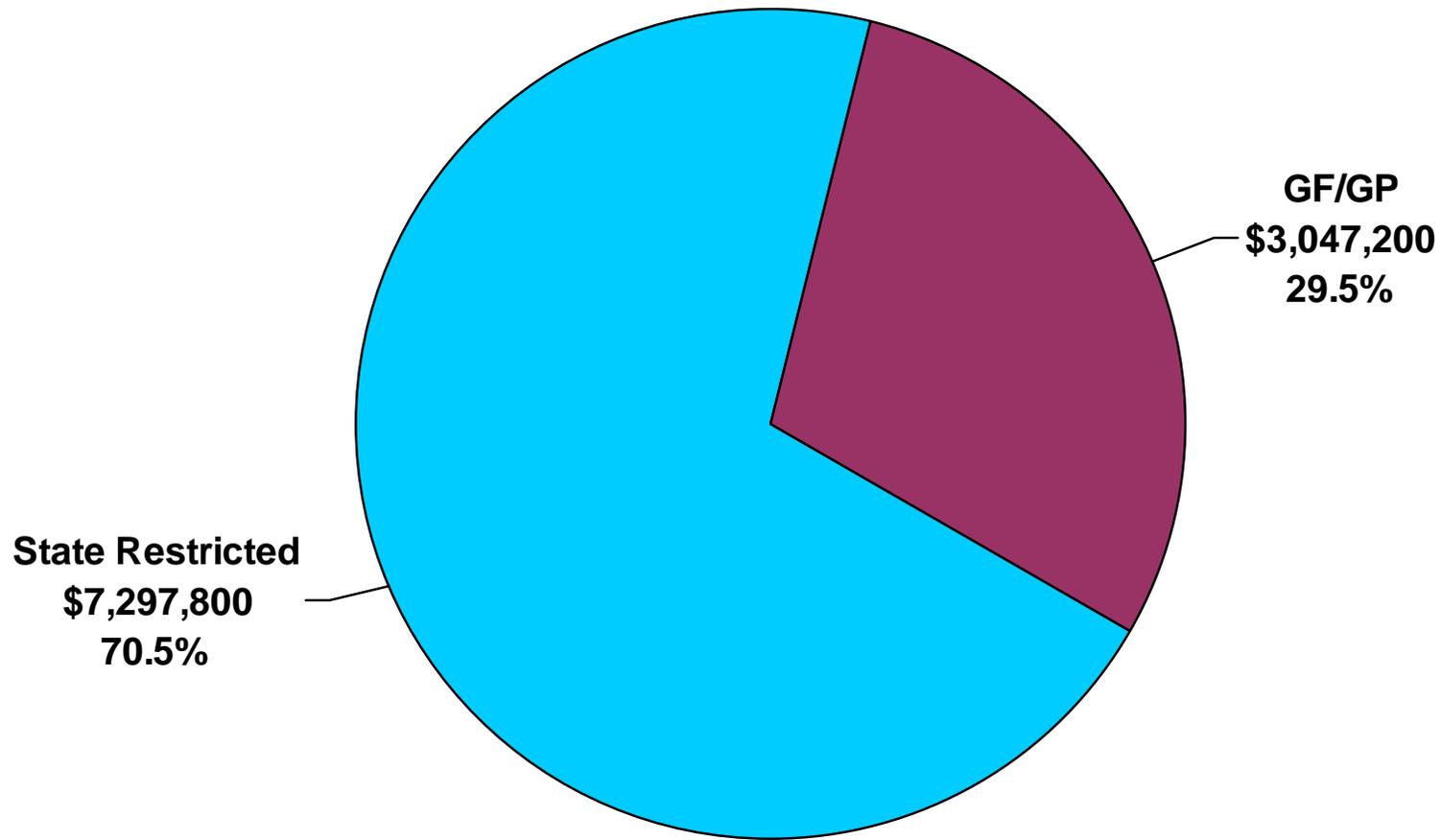


# Departmentwide Appropriations

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

# Departmentwide Appropriations by Revenue Source

FY 2010-11 Total = \$10,345,000

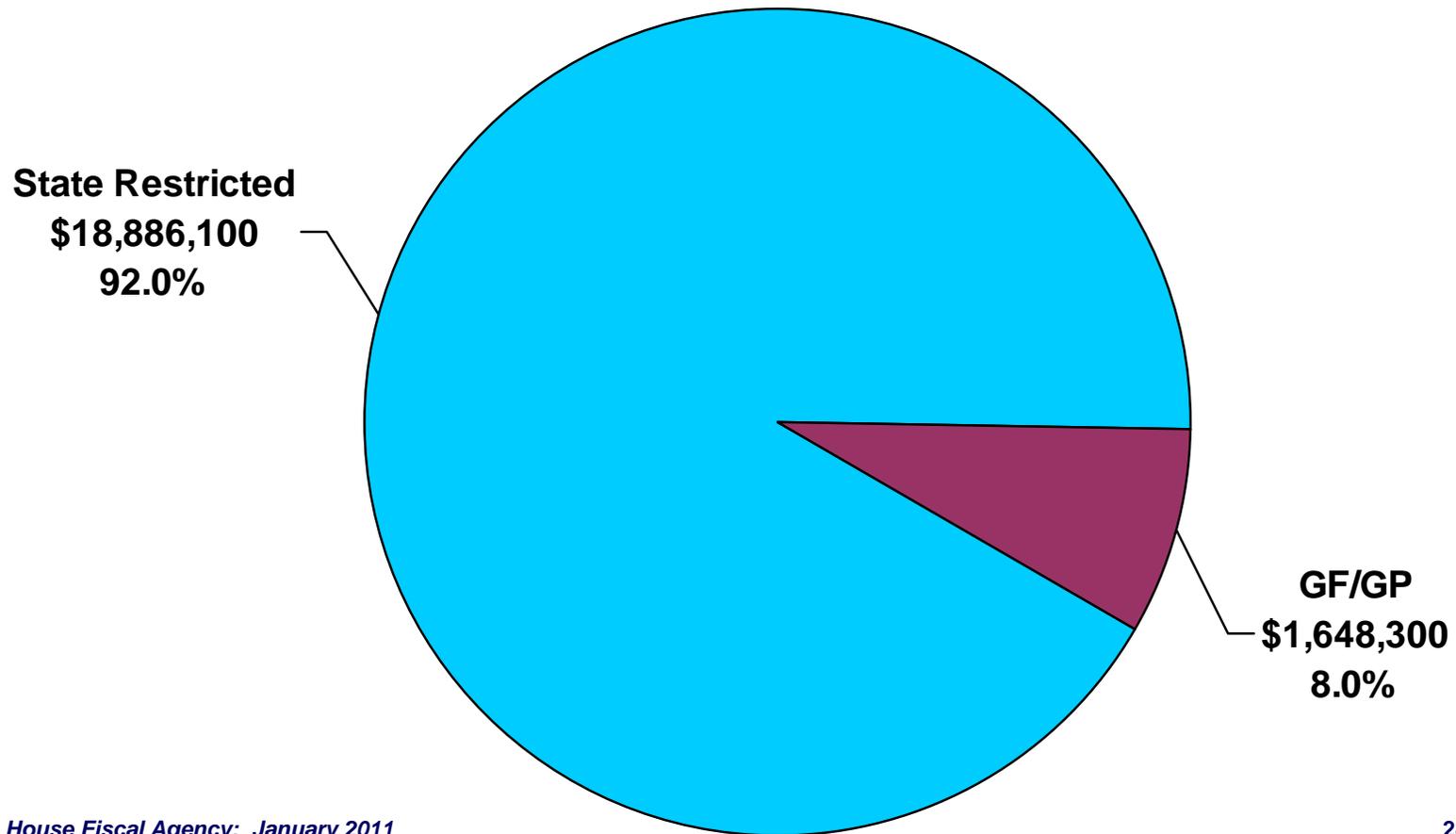


# Information Technology (IT)

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

# IT Appropriations by Revenue Source

FY 2010-11 Total = \$20,534,400



**For more information about the  
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