



## Background Briefing

# TECHNOLOGY, MANAGEMENT, AND BUDGET

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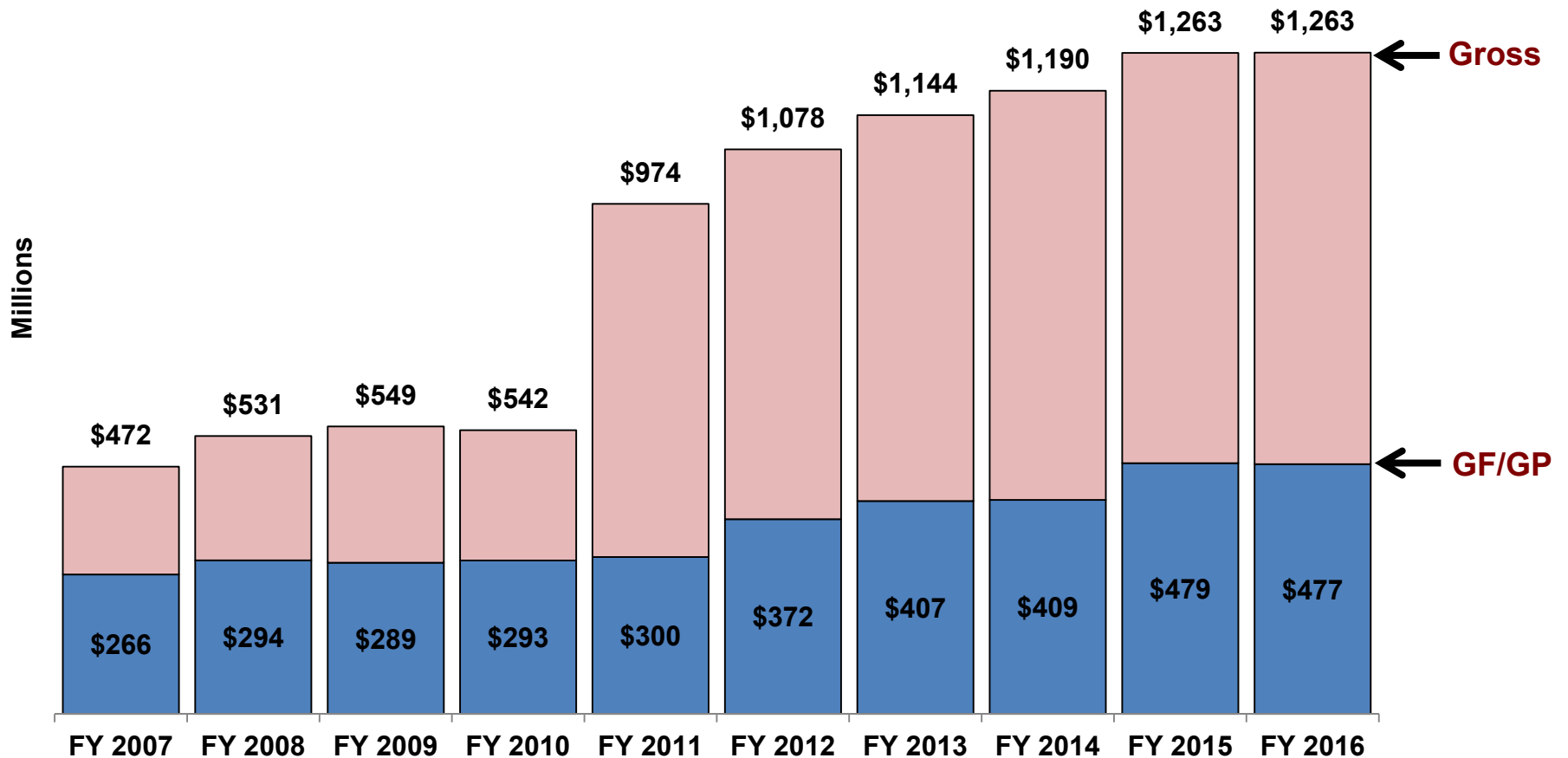
December 2015

# Department of Technology, Management, and Budget (DTMB)

- Authorized under **Management and Budget Act** (1984 PA 431), DTMB is the central service and management element of the Executive branch of state government. Merged with former Department of Information Technology under Executive Order 2009-55.
- Mission is to “provide vital administrative and technology services and information to enable Michigan’s reinvention.”
- Responsibilities include:
  - Developing and monitoring the state budget
  - State accounting functions
  - Internal audit
  - Purchasing
  - Managing and maintaining state property, including the motor vehicle fleet
  - Managing the state’s retirement systems
  - Providing information technology services and project support for state departments and agencies

# DTMB: Gross Appropriations

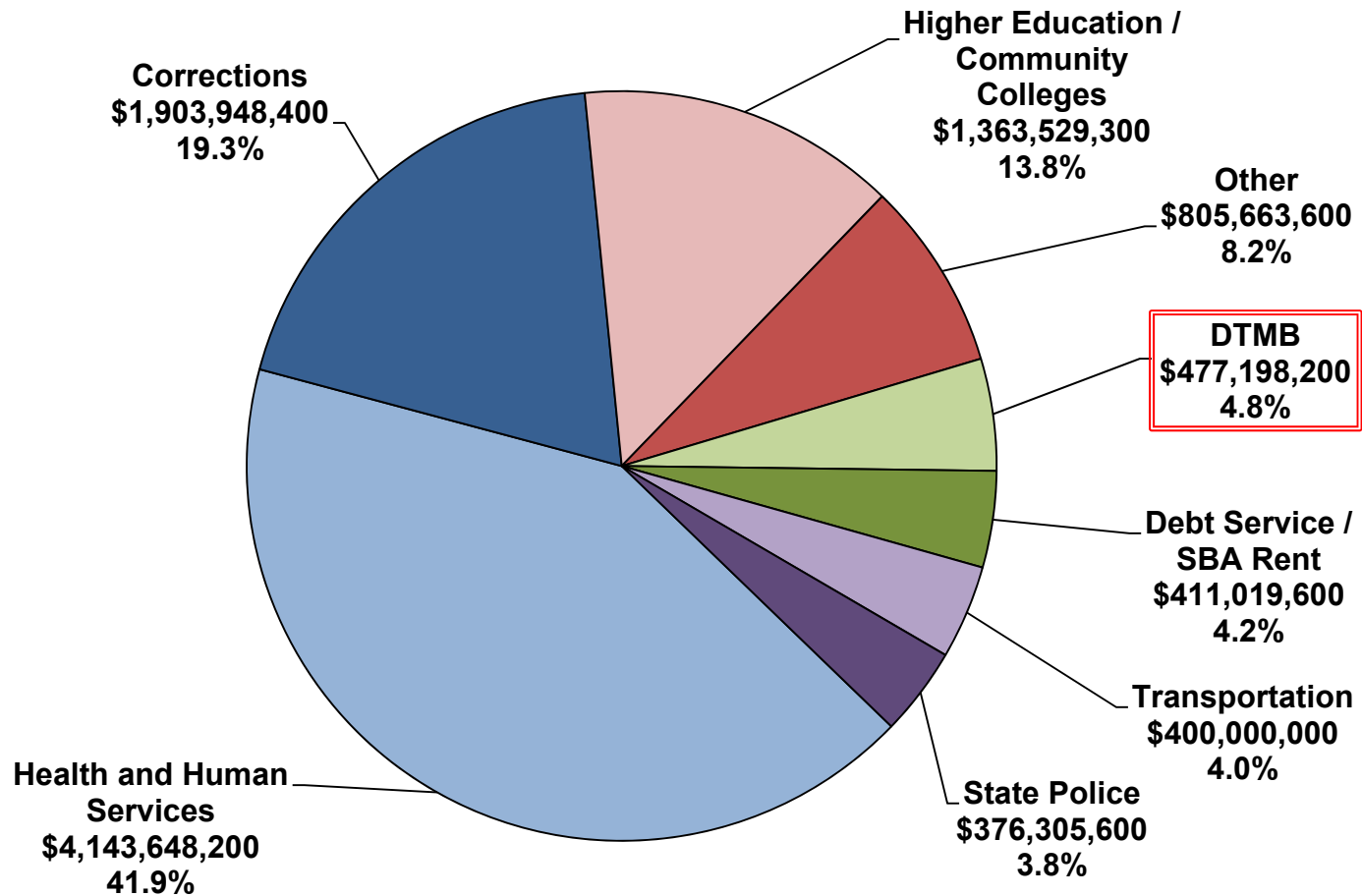
Spending increases are due primarily to transfers from other departments, including: State Building Authority rent payments (FY 2007), Civil Service (FY 2008), Information Technology (FY 2011), and labor market statistics (FY 2011). Other major additions: new IT development and building maintenance funding (FY2013), and various one-time appropriations (FYs 2013, 2014 & 2015).



# DTMB Share of State GF/GP

DTMB makes up 4.8% of the total state GF/GP budget

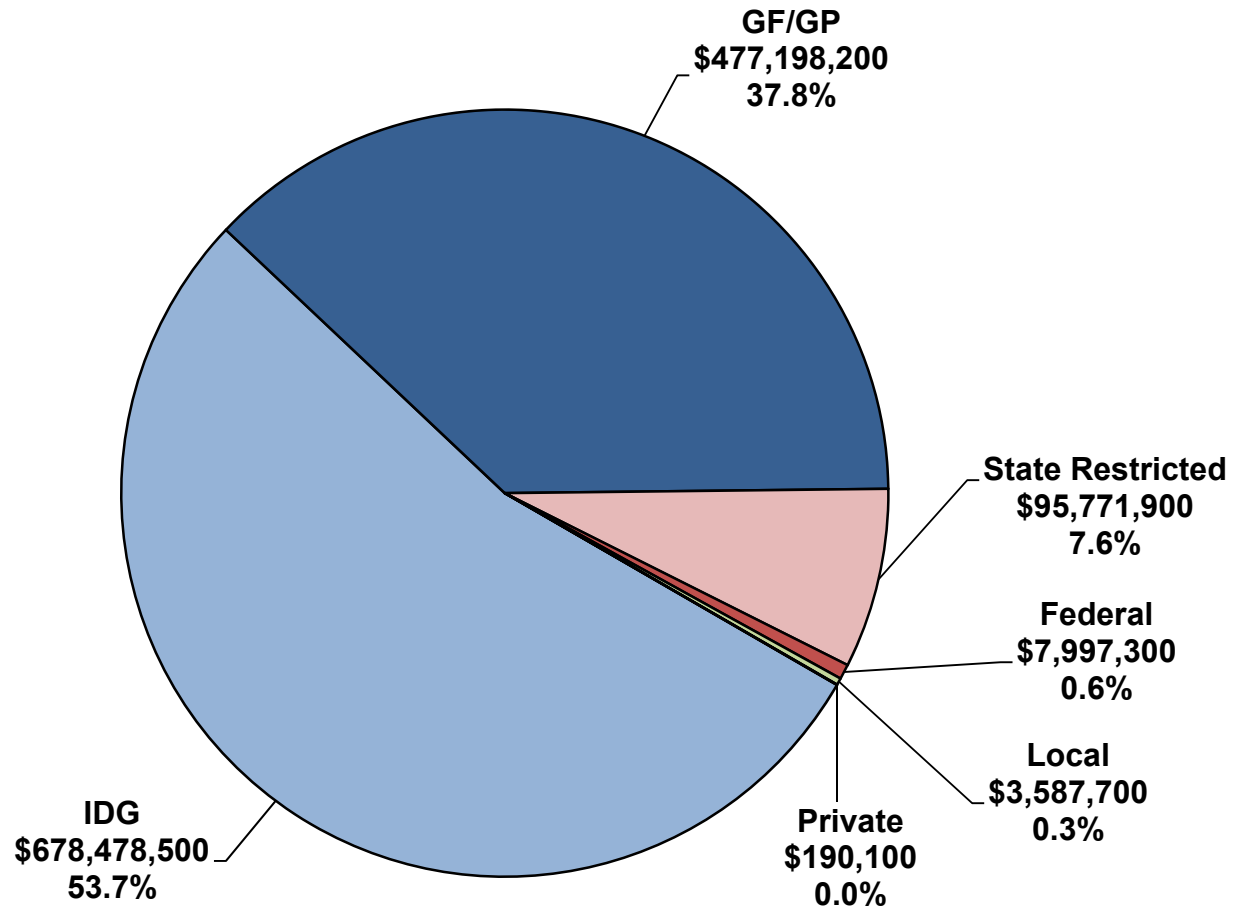
FY 2015-16 GF/GP Total = \$9,881,312,900



# **SOURCES OF FUNDING**

# DTMB Funding Sources

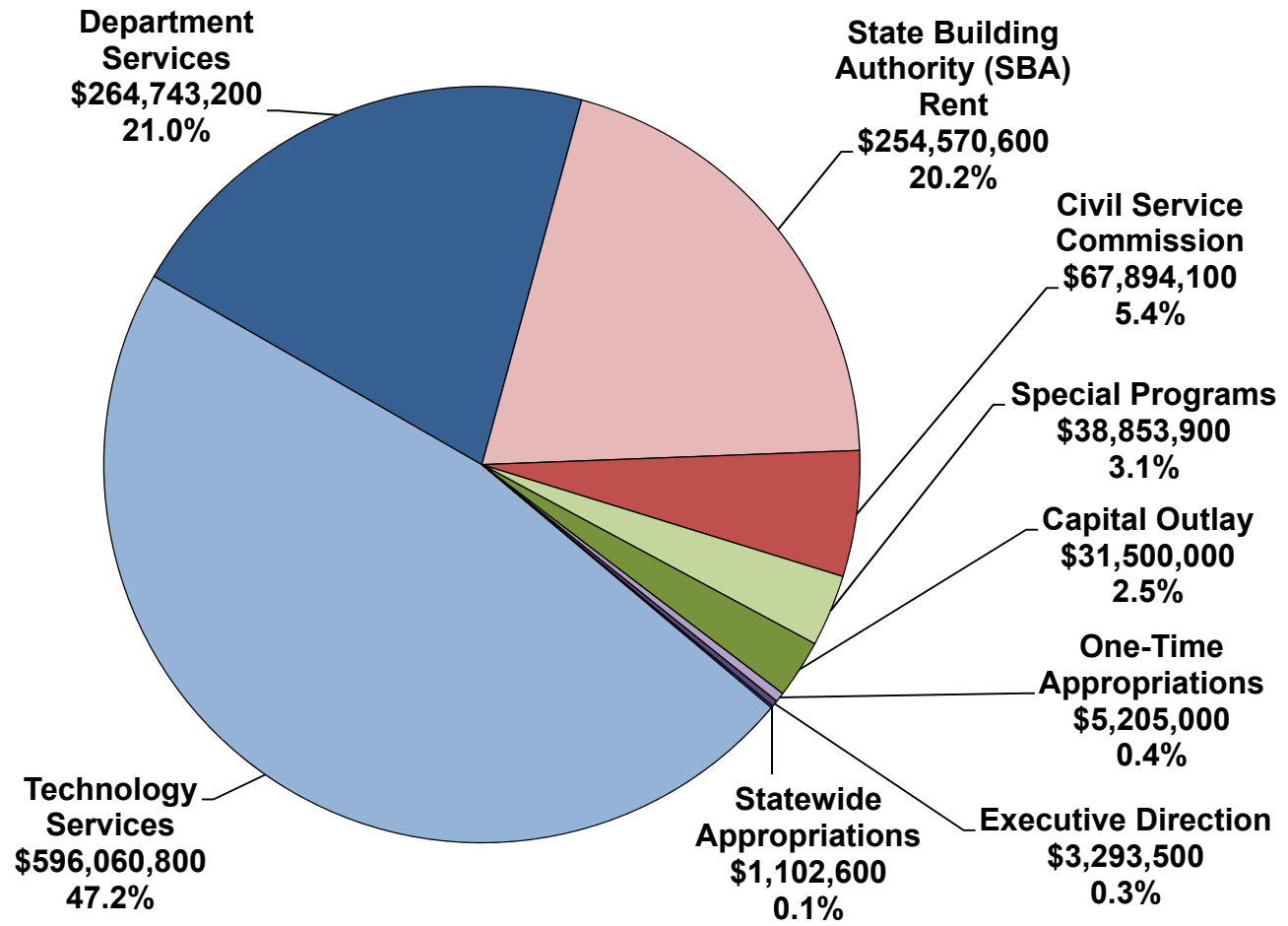
**FY 2015-16 DTMB Budget = \$1,263,223,700**  
**(Includes \$5.2 million in one-time appropriations)**



# **APPROPRIATION AREAS**

# DTMB Gross Appropriations

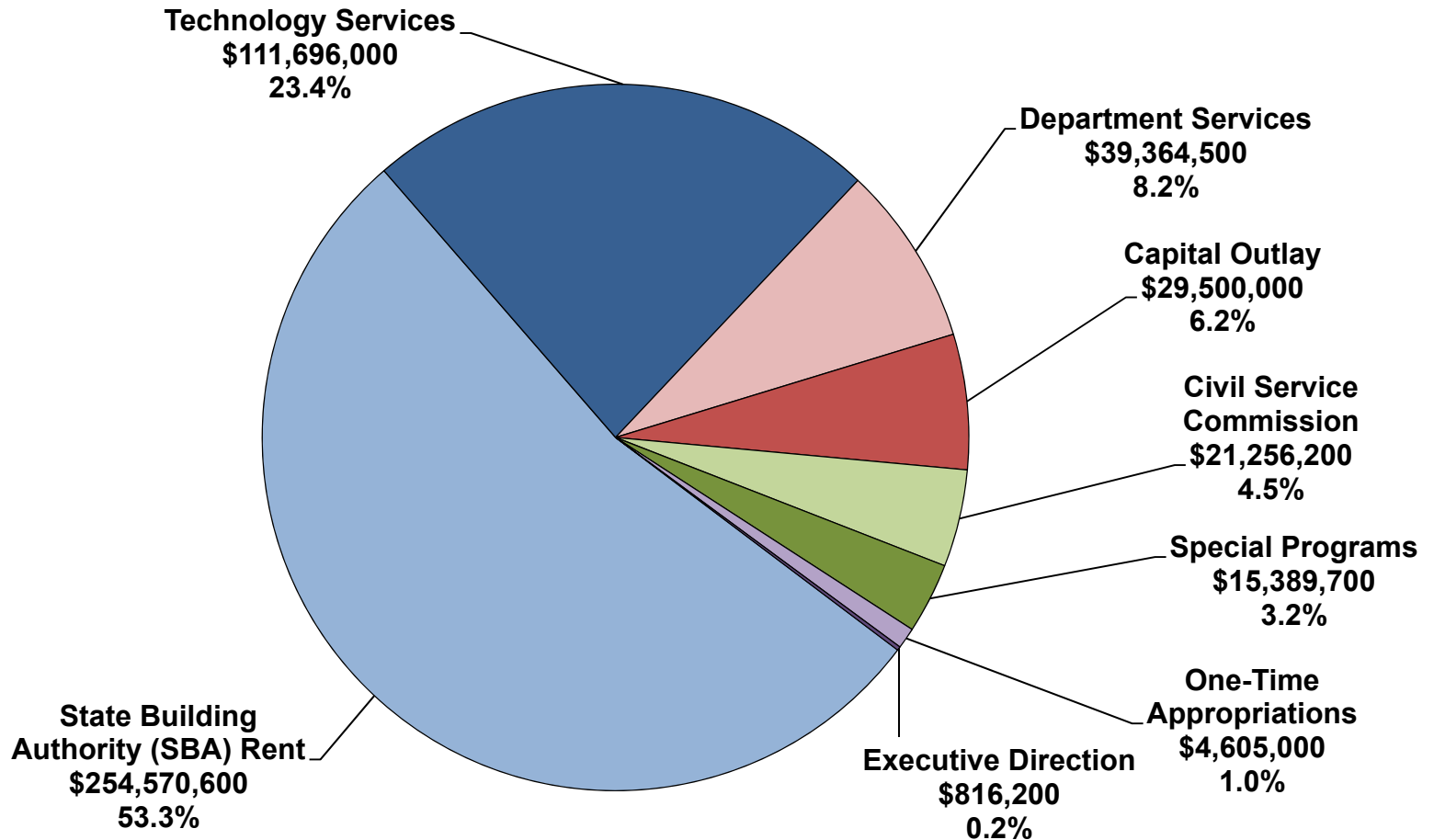
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(Includes \$5.2 million in one-time appropriations)





# DTMB GF/GP Appropriations

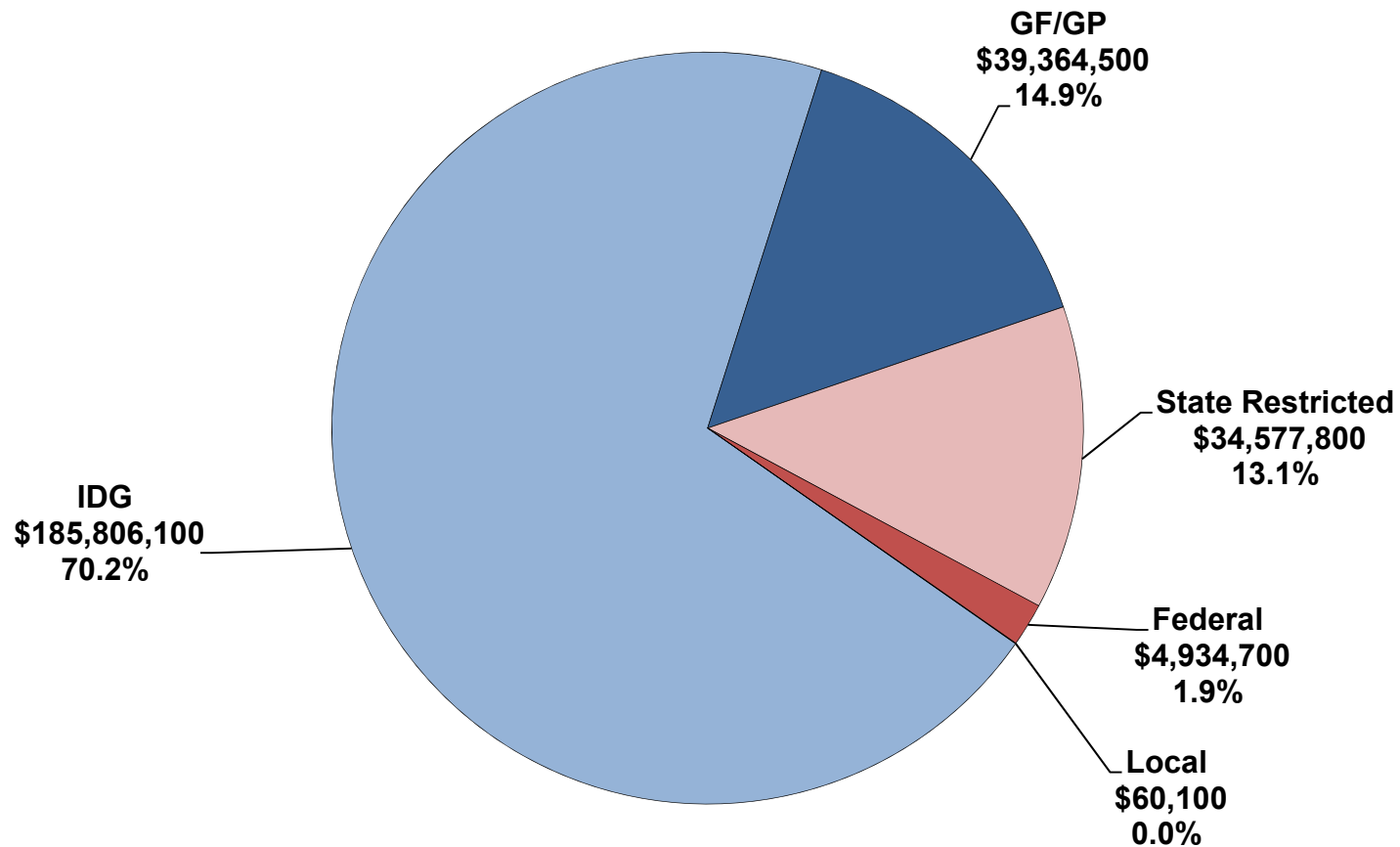
FY 2015-16 Total = \$477,198,200  
(Includes \$4.6 million in one-time appropriations)



# DTMB Appropriations: Department Services

FY 2015-16 Total = \$264,743,200

Primarily Interdepartmental Grant (IDG) revenues, reflecting the amounts other departments pay for various centralized services provided by DTMB.



# DTMB: Department Services

Funds centralized operational services for DTMB, other state departments and agencies, colleges, universities, and other governmental units. Includes:

- **State Budget Office**
  - Prepares, presents, and executes the state budget office on behalf of the governor
- **Financial Services**
  - Accounts payable, billing, projections, contract and lease management
- **Office of Financial Management**
  - Accounting and payroll oversight, prepares Comprehensive Annual Financial Report (CAFR)
- **Office of the State Employer**
  - Labor contract negotiations, labor relations, statewide disability management, worker's compensation
- **Business Support Services**
  - Purchasing operations, State Administrative Board, real estate services, interdepartmental mail, state records center

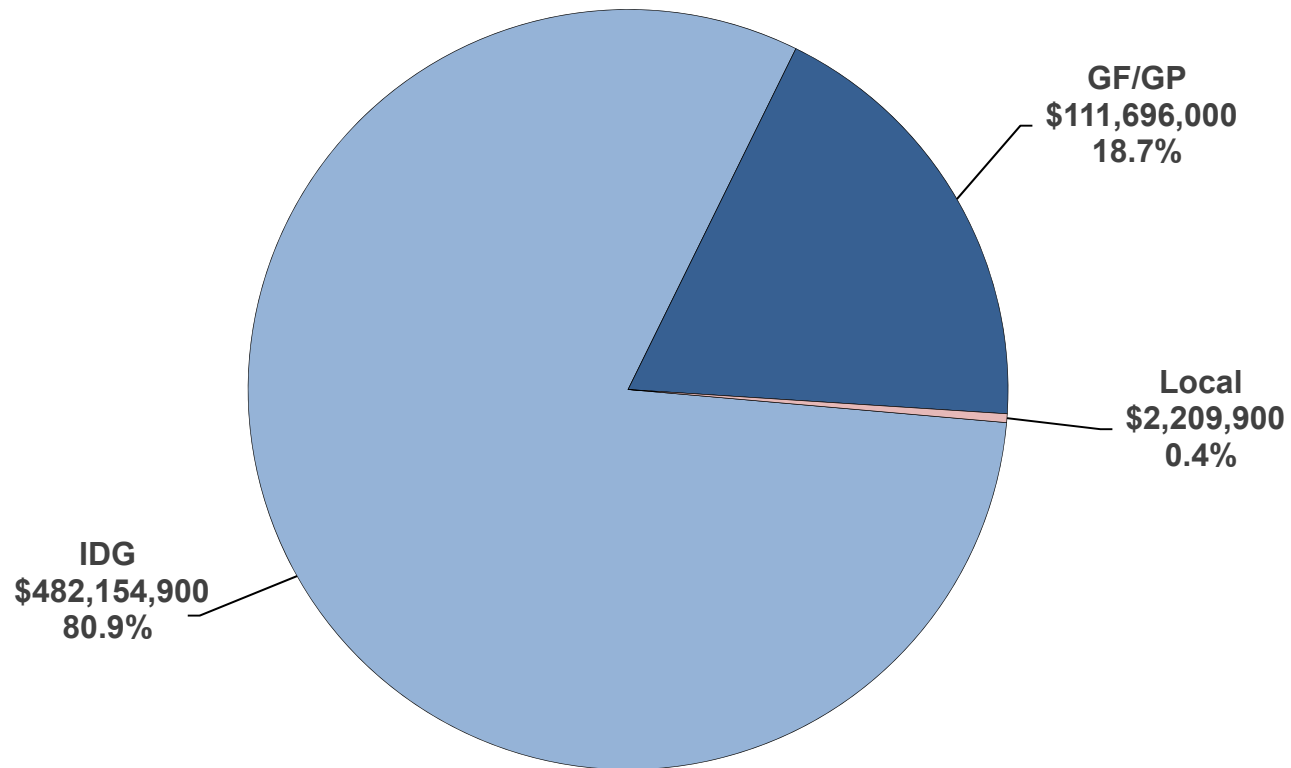
# DTMB: Department Services

- **Building Operation Services**
  - Operation and maintenance of state buildings, equipment, and grounds; space assignment and design; building-related security, utilities, and parking
- **Design and Construction Services**
  - Project planning, architectural and engineering services, surveying, construction management, quality control for infrastructure improvements. Serves state agencies, universities, and community colleges.
- **Motor Vehicle Services**
  - Acquires and maintains the state's motor vehicle fleet, manages and regulates use of state vehicles.
- **Bureau of Labor Market Information and Strategies**
  - Labor market information and statistics; economic and workforce data, research, and analysis; program measurement data and services. Transferred from Department of Licensing and Regulatory Affairs to DTMB by Executive Order 2011-4.

# DTMB Appropriations: Technology Services

**FY 2015-16 Total = \$596,060,800**

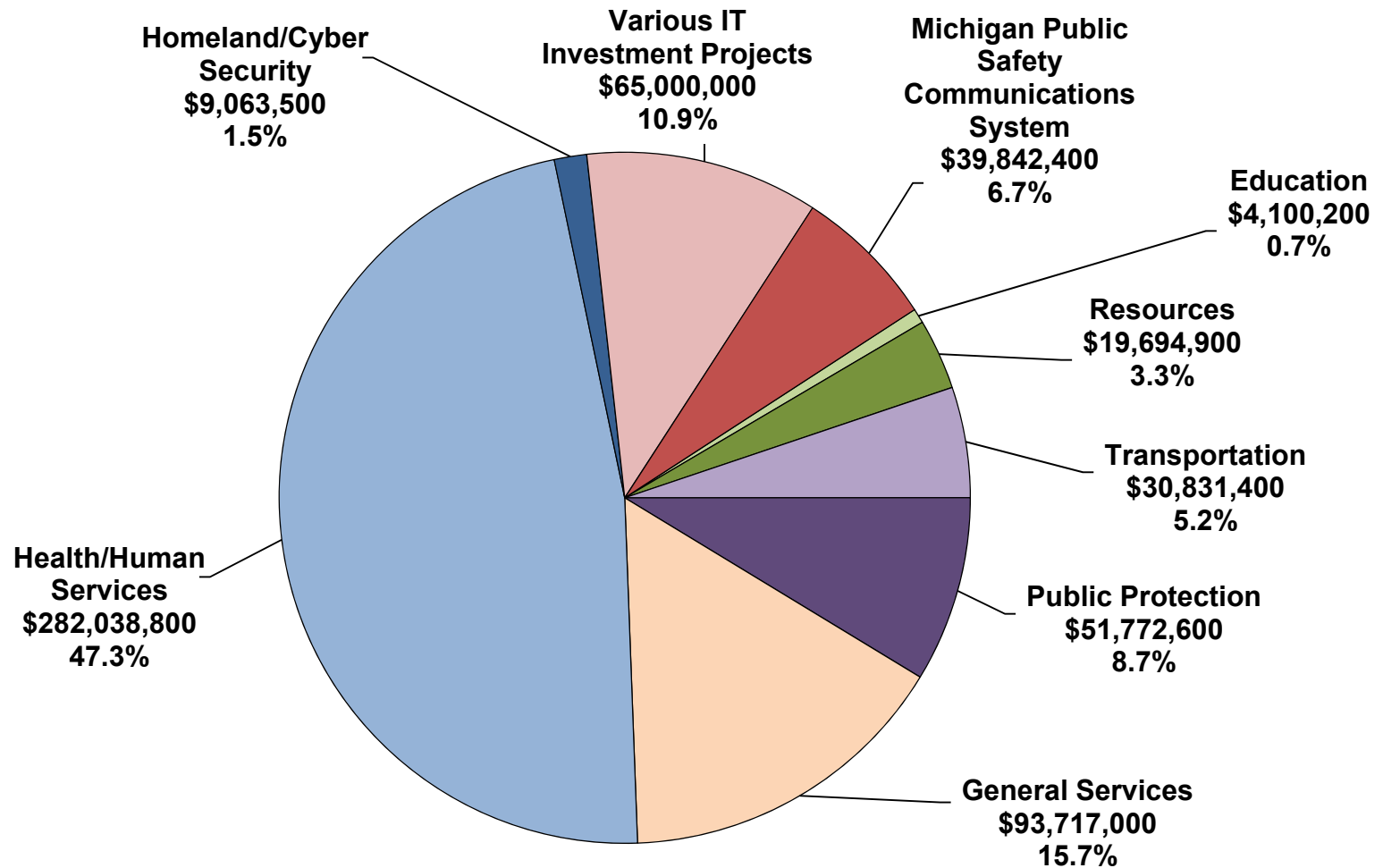
**About 81% of DTMB's IT Services funding consists of IDG-supported services to state agencies.**



# DTMB Appropriations: Technology Services

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# DTMB Appropriations: Technology Services

- **IT services to state agencies (\$482.2 million IDG):**
  - Fully-funded with IDG revenues. Each state department requests spending authority to fund IT-related activities and pays for services through interdepartmental grants.
  - Support and management for desktop computers, state mainframes, servers, local area networks
  - Application development and maintenance, software and software licensing
  - Telecommunications services, security, infrastructure, and support
  - IT contracting and project management
  
- **Homeland Security Initiative/Cyber Security (\$9.1 million GF/GP):**
  - Cyber Security Operations Center under homeland security initiative
  - Protects Michigan's critical infrastructure from cyber disruption

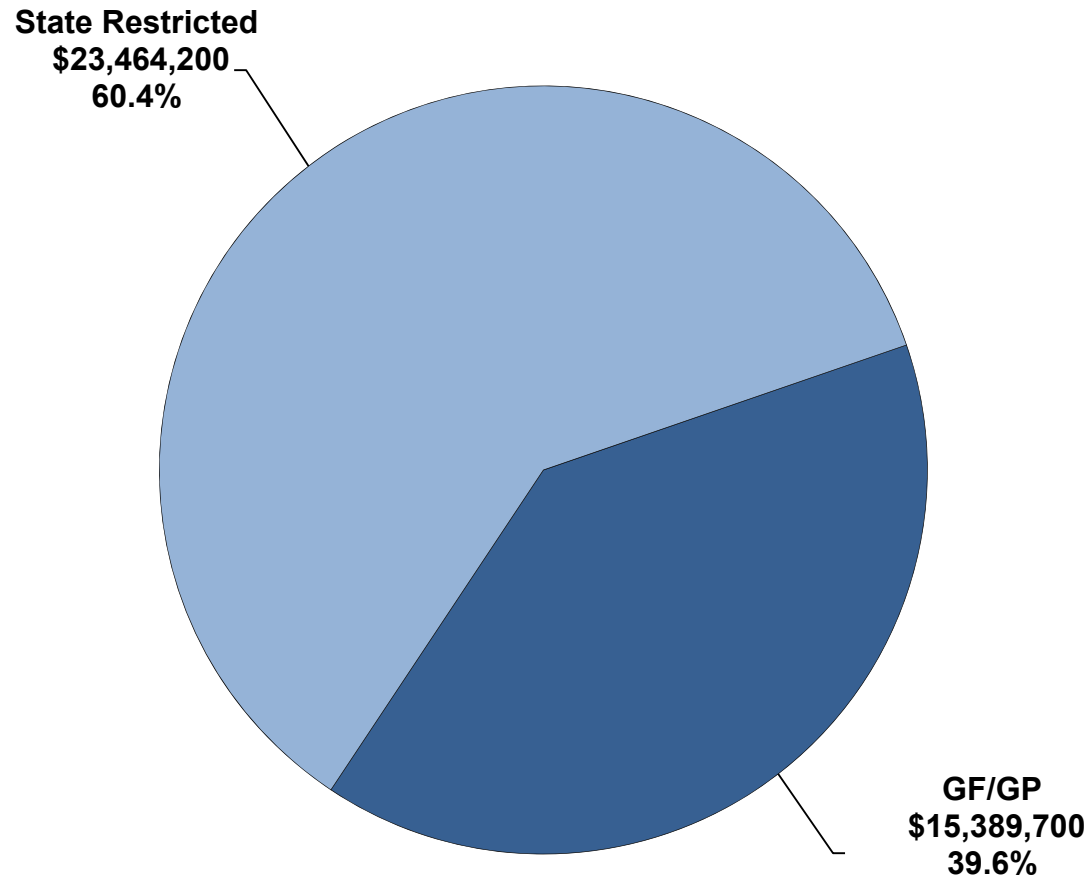
# DTMB Appropriations: Technology Services

- **Various Information Technology Investment Projects (\$65 million GF/GP):**
  - IT projects to upgrade and replace various legacy systems including:
    - Enterprisewide Projects (\$11.7 million GF/GP)
    - General Government & Public Safety Project (\$13.7 million GF/GP)
    - Health and Human Services Project (\$5 million GF/GP)
    - MAIN System Replacement (\$32.6 million GF/GP)
    - Cyber Security (\$2 million GF/GP)
  
- **Michigan Public Safety Communications System (\$39.8 million GF/GP):**
  - Development and maintenance of interoperable public safety communications system for local, state and federal agencies



# DTMB Appropriations: Special Programs

FY 2015-16 Total = \$38,853,900



# DTMB Appropriations: Special Programs

## Funds:

- **Executive/Legislative Building Occupancy (\$1.1 million, all GF/GP)**
  - Space occupied by the Executive Office in the Romney Building in Lansing and Cadillac Place in Detroit
- **Retirement Services (\$27.2 million Gross, \$5.2 million GF/GP)**
  - Administers deferred compensation and retirement systems for state employees, public school employees, judges, state police, and the military
- **Office of Children’s Ombudsman (\$1.8 million, all GF/GP)**
  - Monitors and investigates the child welfare actions and policies of the Department of Health and Human Services (DHHS) and child placement agencies
  - Works to ensure compliance with child welfare statutes and policies in the placement, supervision, and treatment of children in foster care and adoptive homes
  - Recommends policy and statute to the Legislature, Governor, and DHHS

# DTMB Appropriations: Special Programs

## Funds:

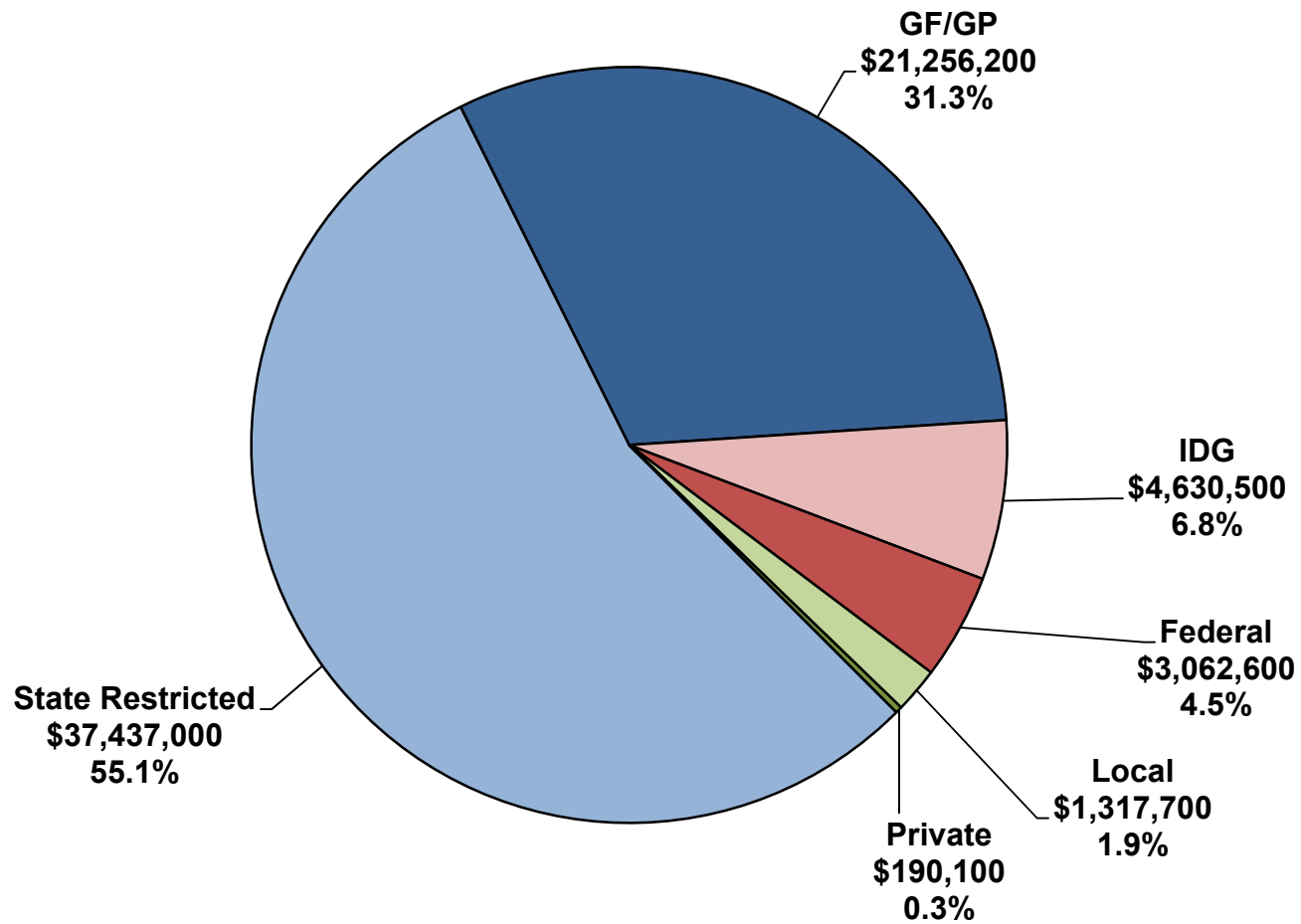
- **Office of Urban Initiatives (\$2.5 million, all GF/GP)**
  - Focuses on urban and metropolitan initiatives respective to transportation, public services, land use/sustainability, housing, and workforce development for urban and regional growth
- **School Reform Office Operations (\$2.3 million, all GF/GP)**
  - Oversees the state's Priority schools
  - Efforts include strengthening teacher effectiveness, developing policies for school leaders, reallocation of resources to implement school reform plans
- **Public Private Partnership (\$1.5 million, all restricted revenues)**
  - State-private partnerships for capital improvements, energy projects, infrastructure projects, joint economic benefit ventures, financial incentives
  - Self-supporting through investment development revenue
- **Regional Prosperity Grants (\$2.5 million, all GF/GP)**
  - Provides various grants to eligible regional planning organizations that collaborate on economic & workforce development, adult & higher education, and transportation

# Civil Service Commission

- Funding is guaranteed by the State Constitution, Article XI, Section 5:  
*“To enable the Commission to exercise its powers, the legislature shall appropriate to the commission for the ensuing fiscal year a sum not less than one percent of the aggregate payroll of the classified service for the preceding fiscal year, as certified by the commission.”*
- Executive Order 2007-30 transferred all Department of Civil Service functions to DTMB and transferred all human resources functions from state agencies to the Civil Service Commission within DTMB

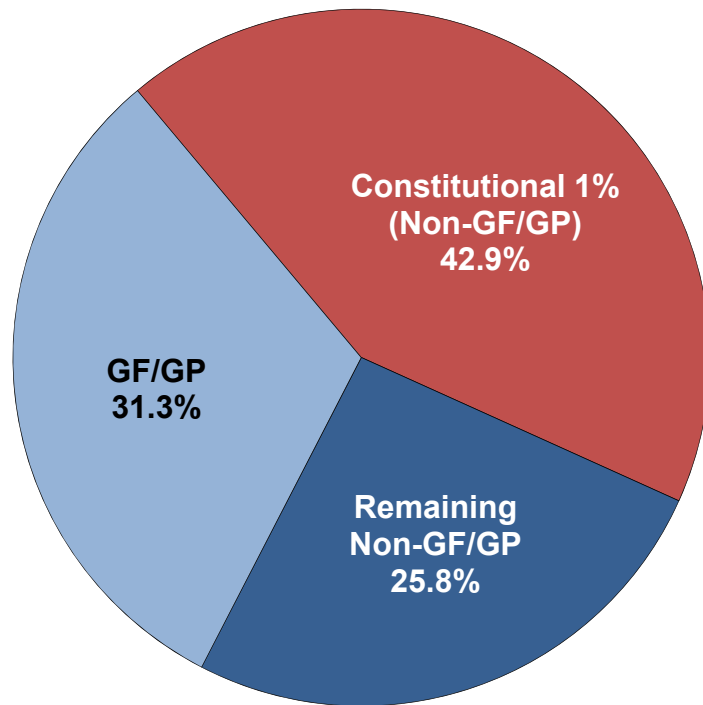
# DTMB Appropriations: Civil Service Commission

FY 2015-16 Total = \$67,894,100



# DTMB Appropriations: Civil Service Commission

A large portion of the funding for the Civil Service Commission and associated personnel comes from the 1% levied by the Constitution on state classified payrolls.



	1% Payments*	Other*	Total*
<b>IDG</b>	\$3,330,500	\$1,300,000	<b>\$4,630,500</b>
<b>Federal</b>	\$3,062,600	\$0	<b>\$3,062,600</b>
<b>Local</b>	\$1,317,700	\$0	<b>\$1,317,700</b>
<b>Private</b>	\$190,100	\$0	<b>\$190,100</b>
<b>Restricted</b>	\$21,197,900	\$16,239,100	<b>\$37,437,000</b>
<b>GF/GP</b>	\$0	\$21,256,200	<b>\$21,256,200</b>
<b>Total</b>	<b>\$29,098,800</b>	<b>\$38,795,300</b>	<b>\$67,894,100</b>
<b>%</b>	<b>42.9%</b>	<b>57.1%</b>	<b>100.0%</b>

\* FY 2016 appropriated amounts

# Civil Service Appropriations

- The Civil Service Commission is bipartisan, four-member body, appointed by the governor to serve 8 year, staggered terms
- State Personnel Director
  - Classified position selected by Civil Service Commission
  - Serves as principal executive officer of the Commission
  - Responsibilities include:
    - Classification of civil service positions according to duties and responsibilities
    - Fix compensation rates for all classes of positions
    - Approve/disapprove proposals for personal service contracts
    - Determine qualifications of candidates for classified service positions by competitive examination and performance on the basis of merit, efficiency, and fitness
    - Make rules and regulations covering all personnel transactions
    - Regulate all conditions of employment in the classified service

# Civil Service Appropriations

Responsibilities of the Office of the State Personnel Director, continued

- Administer employee benefit programs
- Human resources services for all state departments, including audits of personnel and payroll transactions, necessary for acquiring and managing the state workforce
- Human Resources Management Network (HRMN), which provides an enterprise-integrated technological infrastructure to support major management functions, such as payroll, personnel, and employee benefits for all employees
- Administration of the state's employee health, dental, vision, and life insurance plans
- Support for general and agency-specific training for all state classified employees
- Information technology-related services and projects which support Civil Service Commission activities



# Other DTMB Appropriations

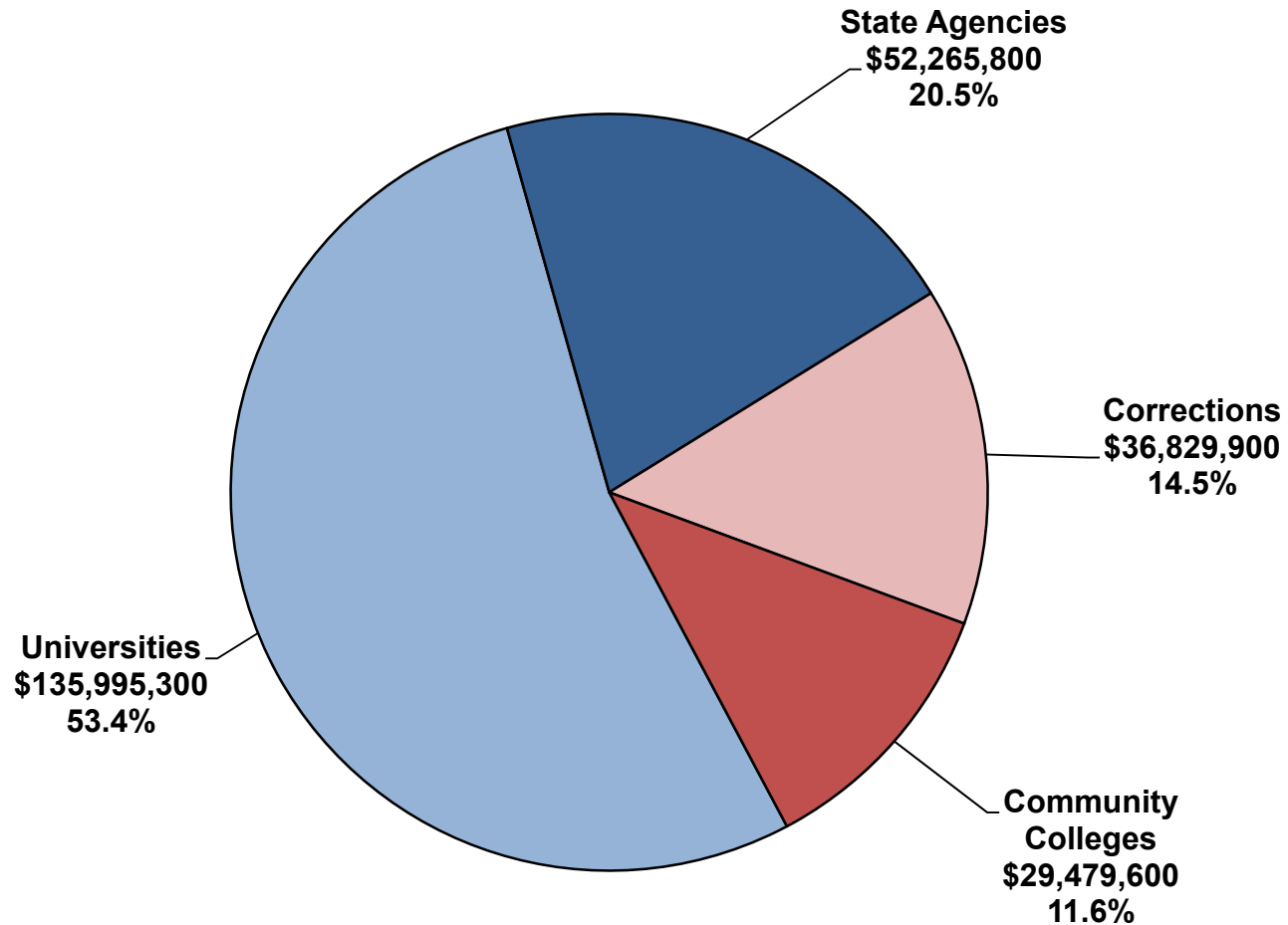
- **Statewide Programs (\$1,102,600, all IDG)**  
Professional development for state employees, COBRA insurance premiums; funding negotiated in state collective bargaining agreements
- **Capital Outlay (\$31.5 million total)**  
\$29.5 million GF/GP for enterprisewide special maintenance (continuing maintenance projects for state-owned properties), plus \$2.0 million IDG appropriations for major special maintenance, remodeling, and additions.
- **One-Time Appropriations (\$5.2 million total)**
  - **Technology Services Funding (\$600,000, all IDG)**  
Supports Department of Treasury's Business Portal
  - **Legal Services (\$1 million, all GF/GP)**  
Support for state litigation costs
  - **Cost Study of 2014 PA 555 (\$500,000, all GF/GP)**  
Funding for vendor that will conduct a statewide cost study on resources needed to meet state educational standards
  - **Treasury - Technology Services (\$3 million, all GF/GP)**  
Supports Department of Treasury's Sales, Use, & Withholding tax system
  - **Special Grants (\$105,000, all GF/GP)**  
Funding for IT grants for select school districts

# State Building Authority (SBA) Rent Payments

- Funds rent payments to the State Building Authority for SBA-financed construction projects for state agencies, universities, and community colleges.
- The State Building Authority is authorized to issue and sell bonds and notes for acquisition and construction of facilities and equipment in an aggregate principal amount outstanding not to exceed \$2.7 billion; not included in this limitation are bonds allocated for debt service reserves, bond issue expenses, bond discounts, bond insurance premiums, or certain refunding bonds.
- Executive Order 2013-8 transferred the State Building Authority, but not the administration of the rent payments, to the Department of Treasury.

# DTMB Appropriations: SBA Rent Payments

FY 2015-16 Total = \$254,570,600



**For more information about the  
Technology, Management, and Budget  
budget, contact:**

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