



Background Briefing

TECHNOLOGY, MANAGEMENT, AND BUDGET

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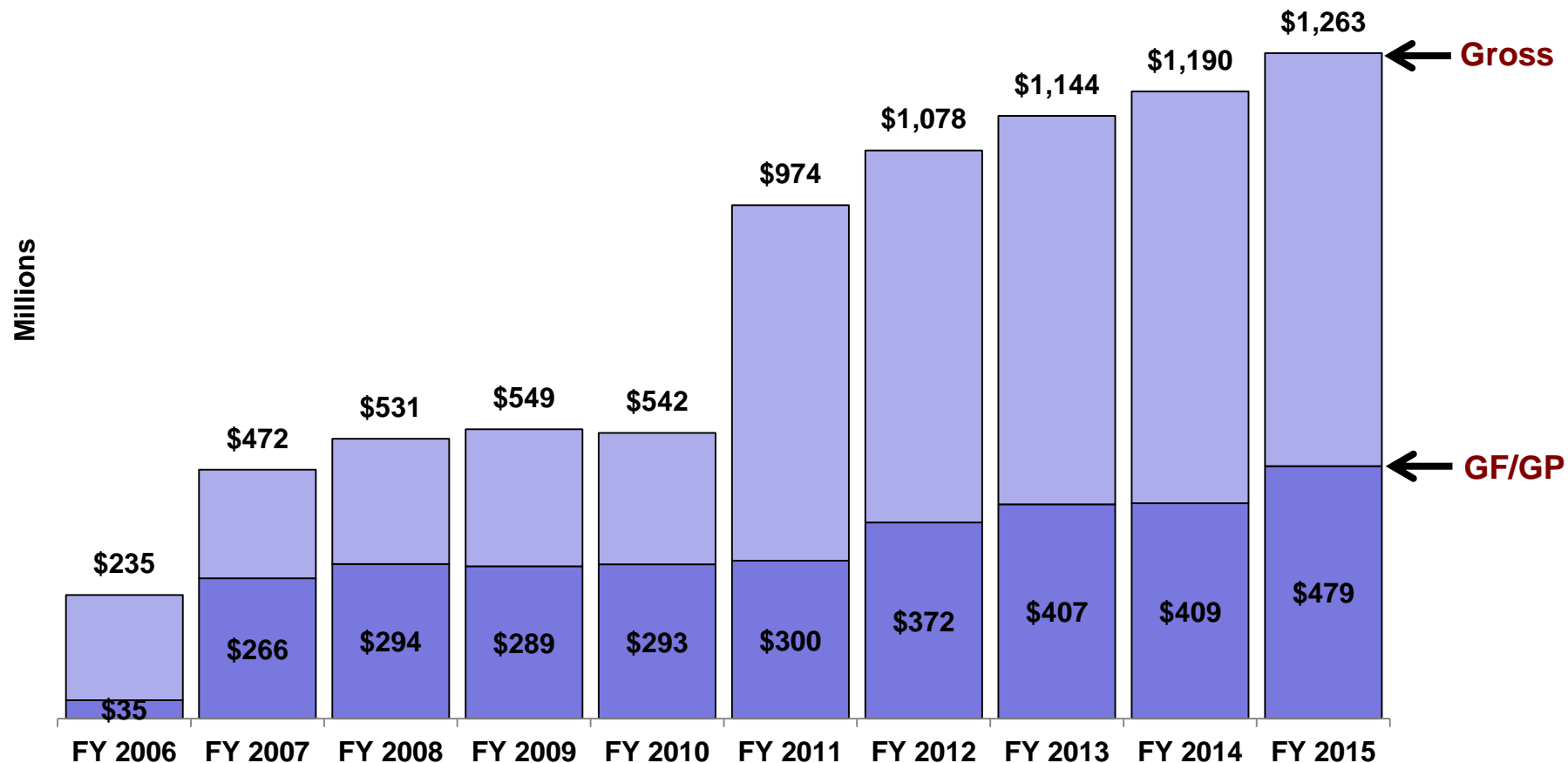
December 2014

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

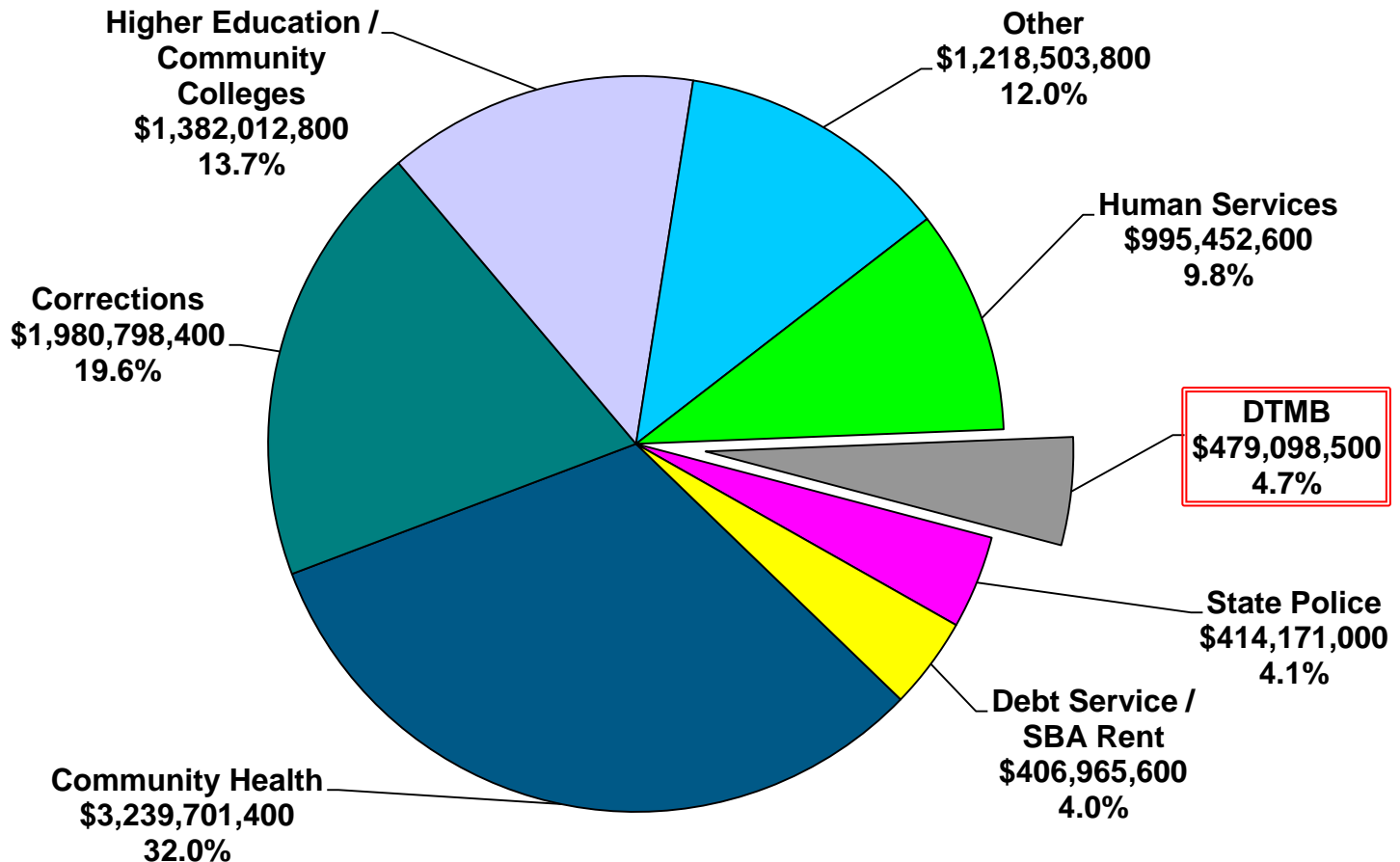
Spending increases are due primarily to transfers from other departments, including: State Building Authority rent payments (FY 2007), Civil Service (FY 2008), Information Technology (FY 2011), and labor market statistics (FY 2011). Other major additions: new IT development and building maintenance funding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



DTMB Share of State GF/GP

DTMB makes up 4.7% of the total state GF/GP budget

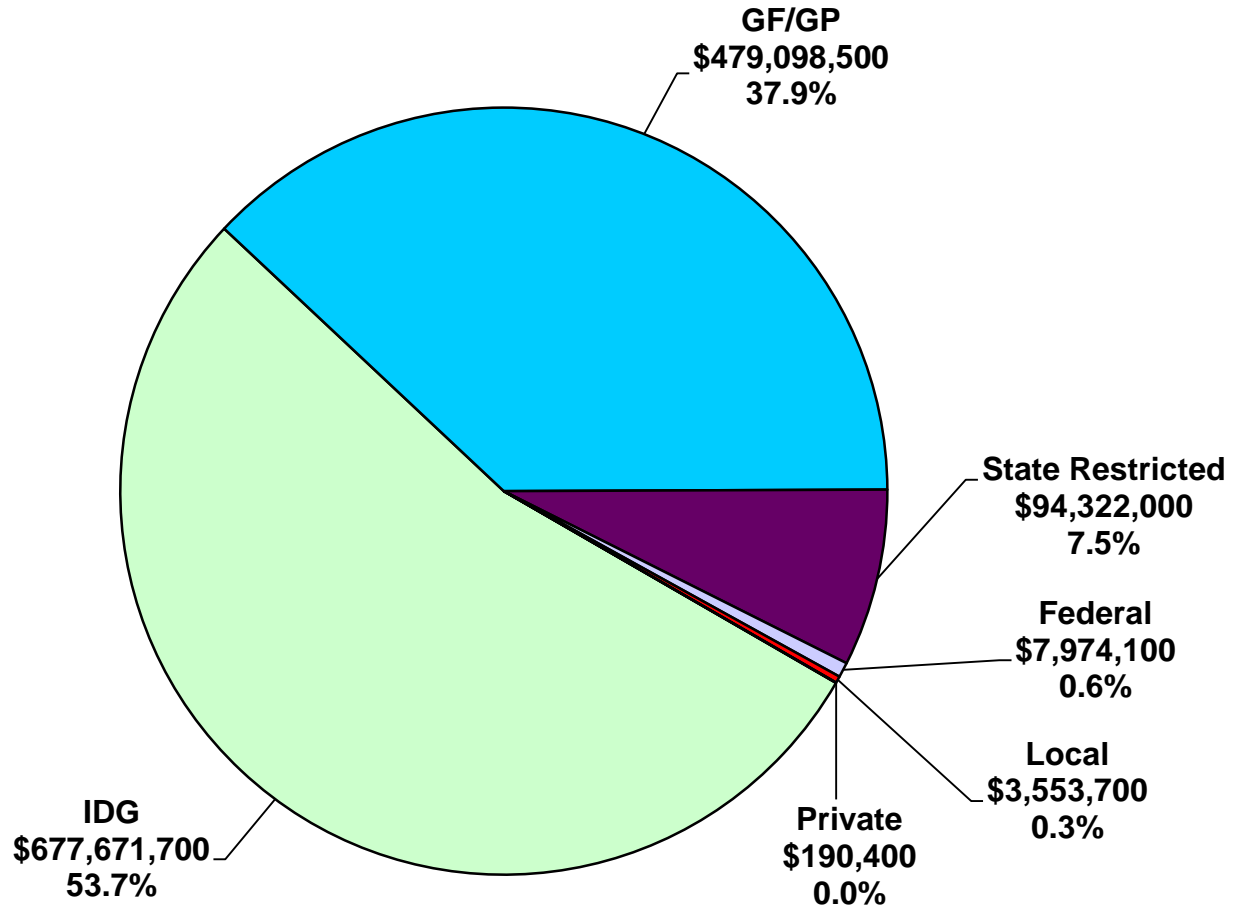
FY 2014-15 GF/GP Total = \$10,116,704,100



SOURCES OF FUNDING

DTMB Funding Sources

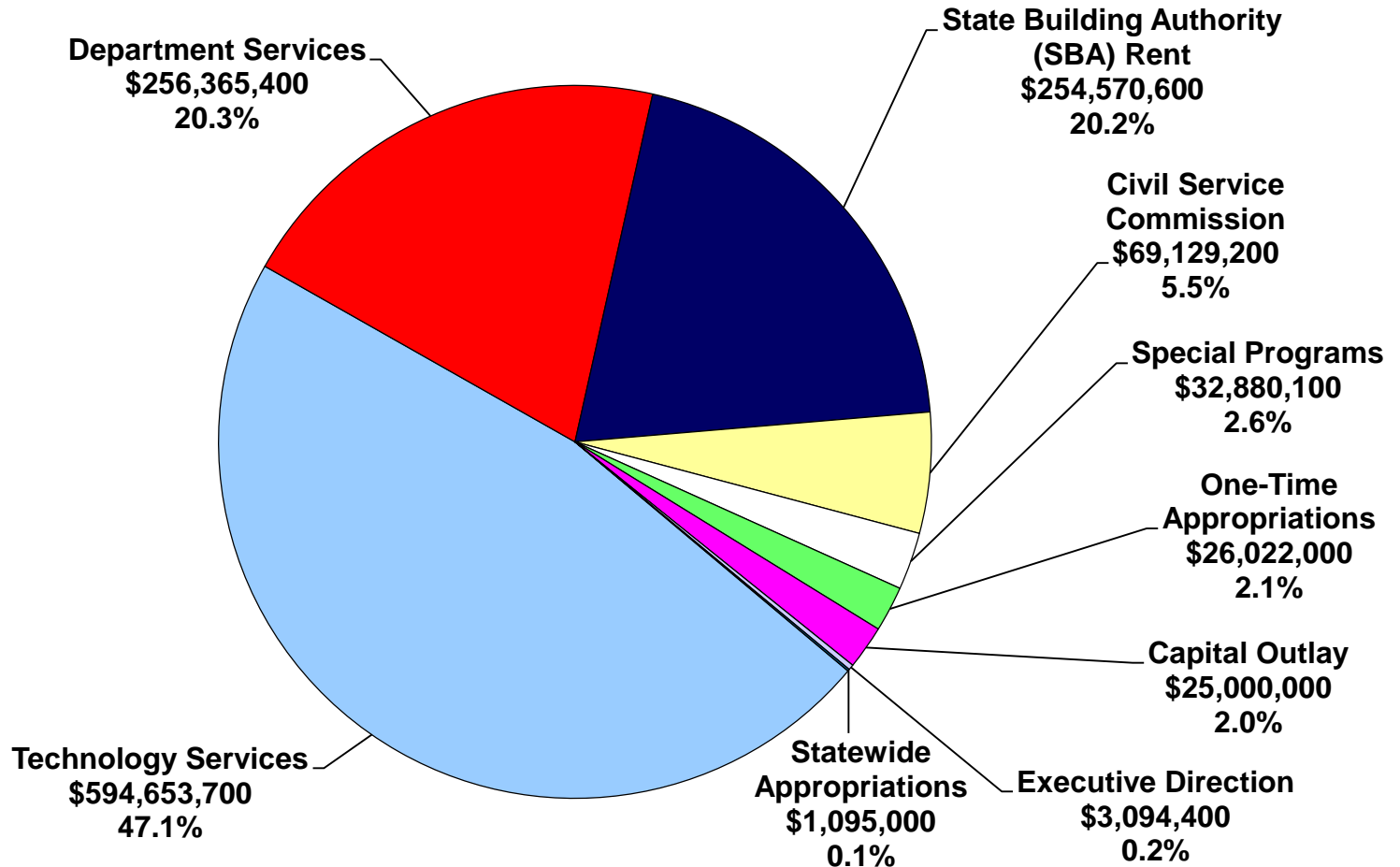
FY 2014-15 DTMB Budget = \$1,262,810,400
(Includes \$26 million in one-time appropriations)



DEPARTMENT APPROPRIATIONS

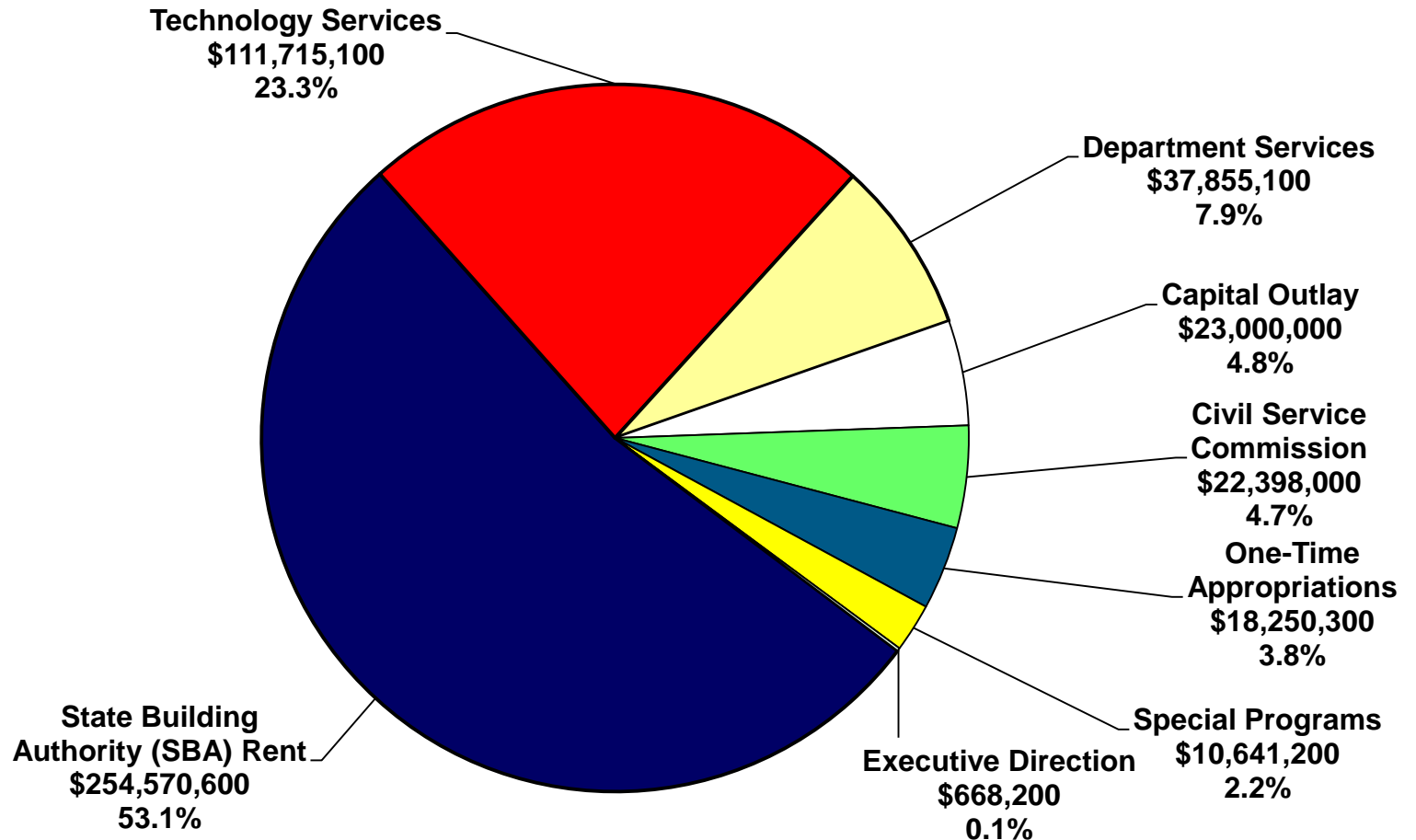
DTMB Gross Appropriations

FY 2014-15 Total = \$1,262,810,400
(Includes \$26 million in one-time appropriations)



DTMB GF/GP Appropriations

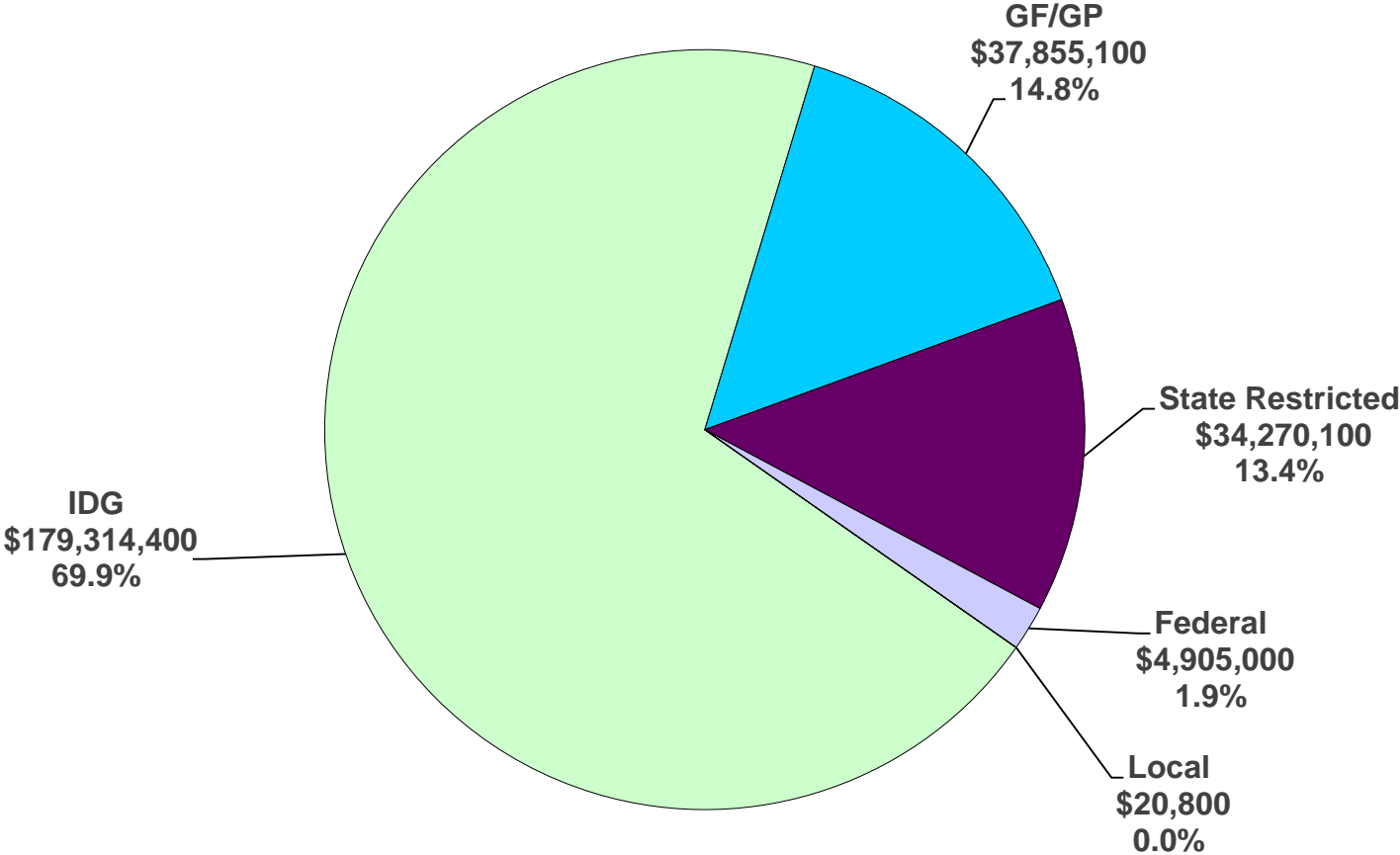
FY 2014-15 Total = \$479,098,500
(Includes \$18.3 million in one-time appropriations)



DTMB Appropriations: Department Services

FY 2014-15 Total = \$256,365,400

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

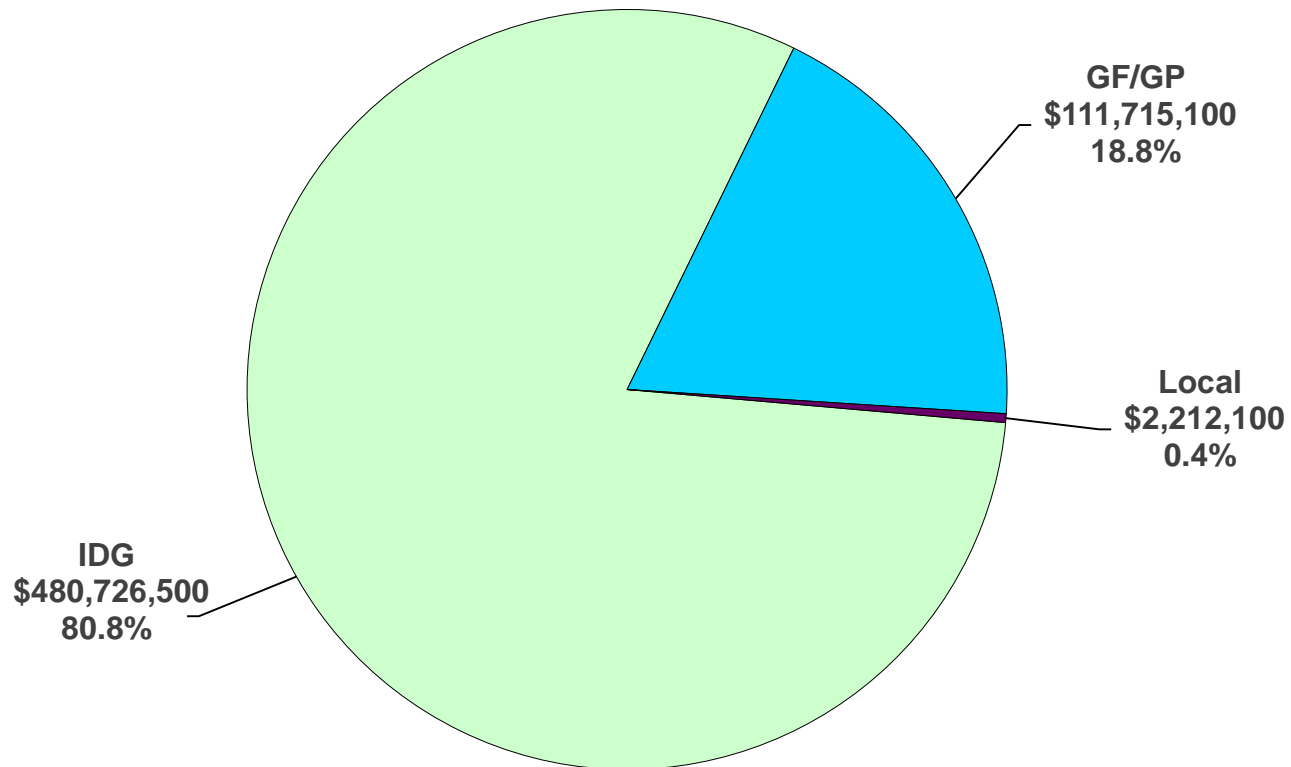
DTMB: Department Services

- **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 2014-15 Total = \$594,653,700

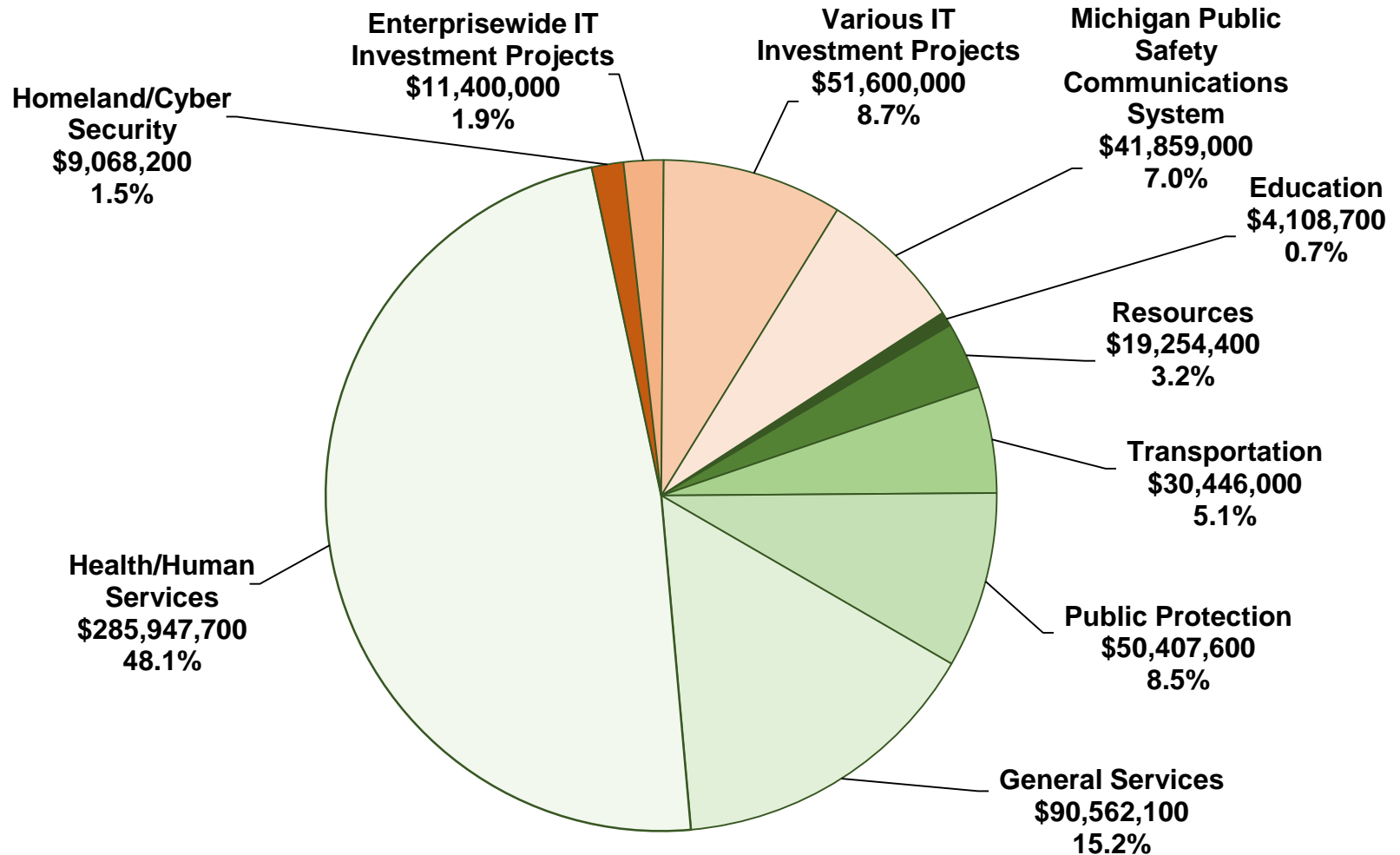
About 81% of DTMB's IT Services funding consists of IDG-supported services to state agencies.



DTMB Appropriations: Technology Services

FY 2014-15 Total = \$594,653,700

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DTMB Appropriations: Technology Services

- **IT services to state agencies (\$480.7 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

- **Enterprisewide Information Technology Investment Projects (\$11.4 million GF/GP):**
 - Statewide IT initiatives targeting technology upgrades and automation opportunities

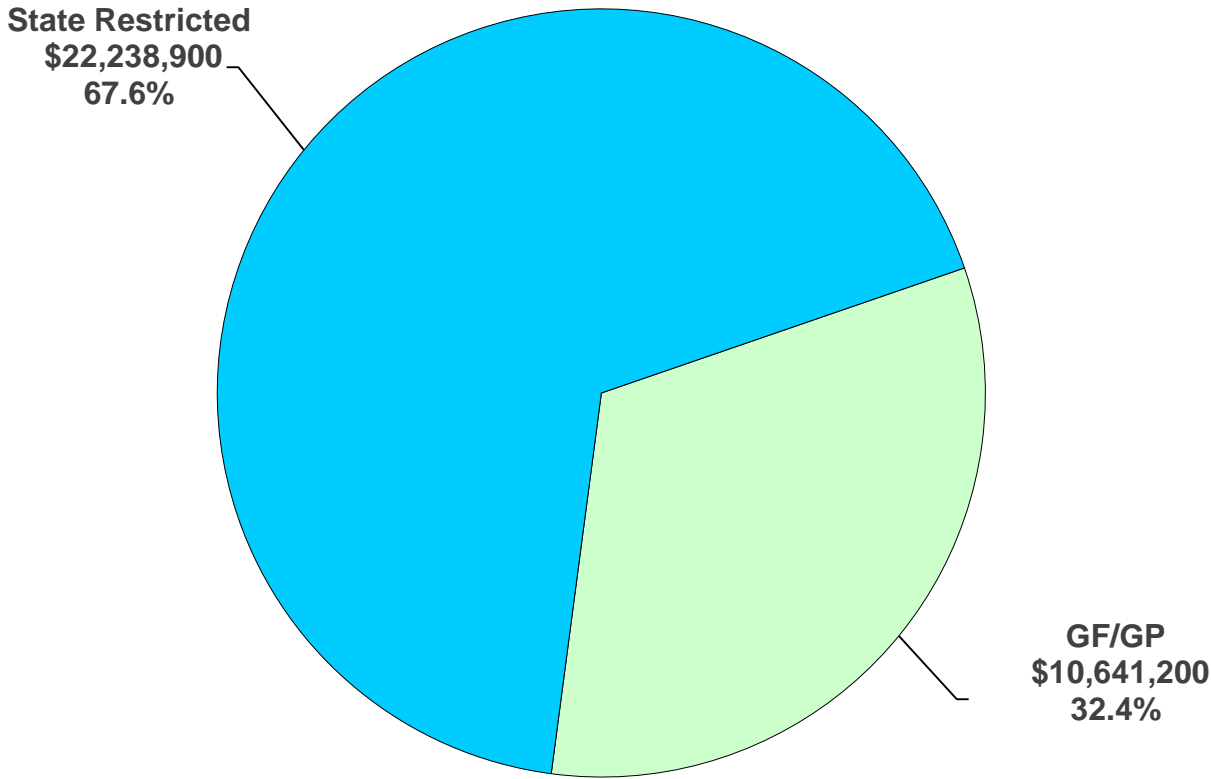
DTMB Appropriations: Technology Services

- **Various Information Technology Investment Projects (\$51.6 million GF/GP):**
 - IT projects to upgrade and replace various legacy systems including:
 - General Government & Public Safety Project (\$28.6 million GF/GP)
 - Health and Human Services Project (\$6 million GF/GP)
 - MAIN System Replacement (\$17 million GF/GP)

- **Michigan Public Safety Communications System (\$41.9 million GF/GP):**
 - Development and maintenance of interoperable public safety communications system for local, state and federal agencies

DTMB Appropriations: Special Programs

FY 2014-15 Total = \$32,880,100



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 (\$25.9 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 Human Services (DHS) 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 DHS

DTMB Appropriations: Special Programs

Funds:

- **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

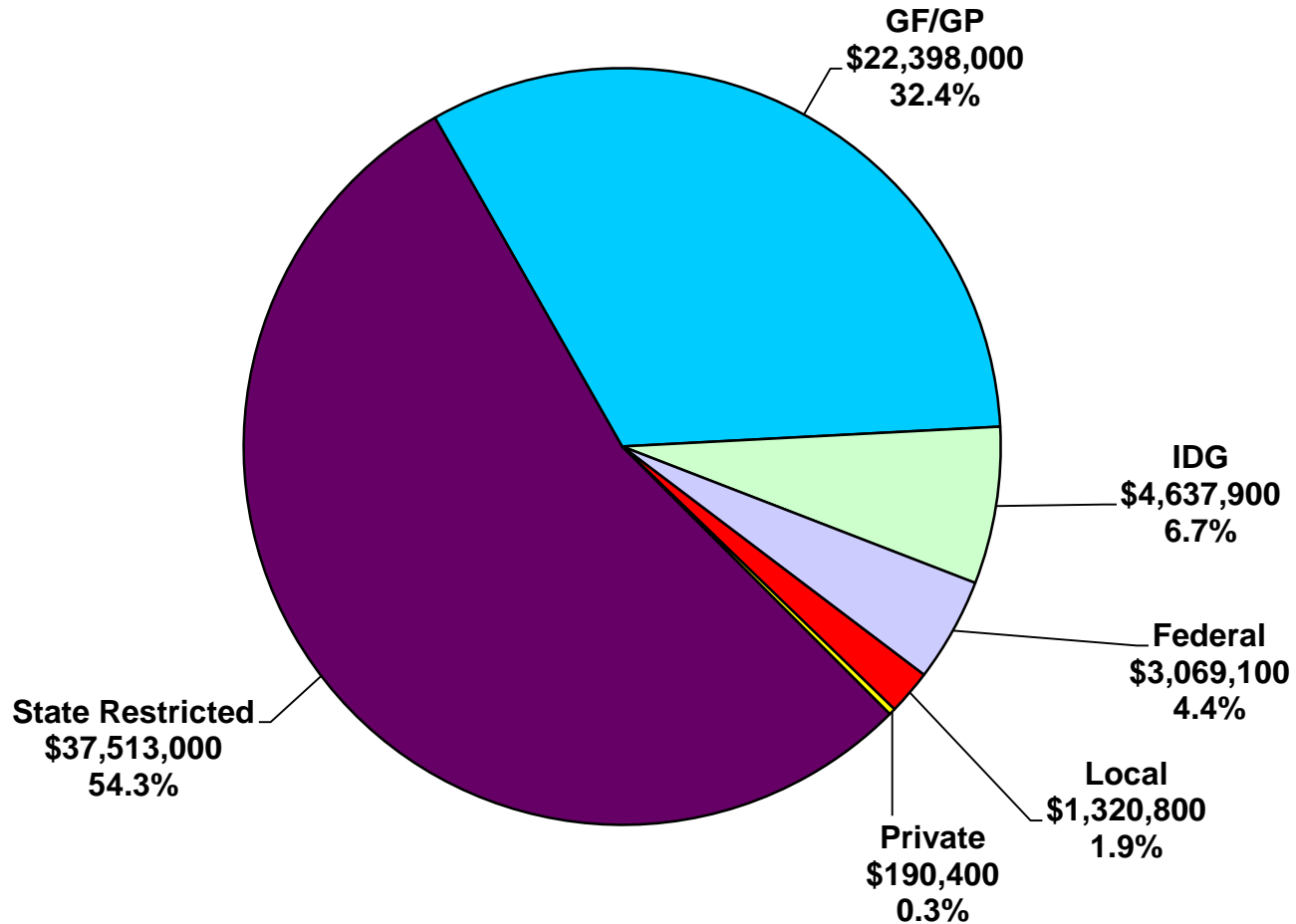
- **Regional Prosperity Grants (\$2.5 million, all GF/GP)**
 - Provides various grants to eligible regional planning organizations that collaborate on economic & workforce development, adult & higher education, and transportation
 - Additional \$1 million appropriated as one-time funding

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

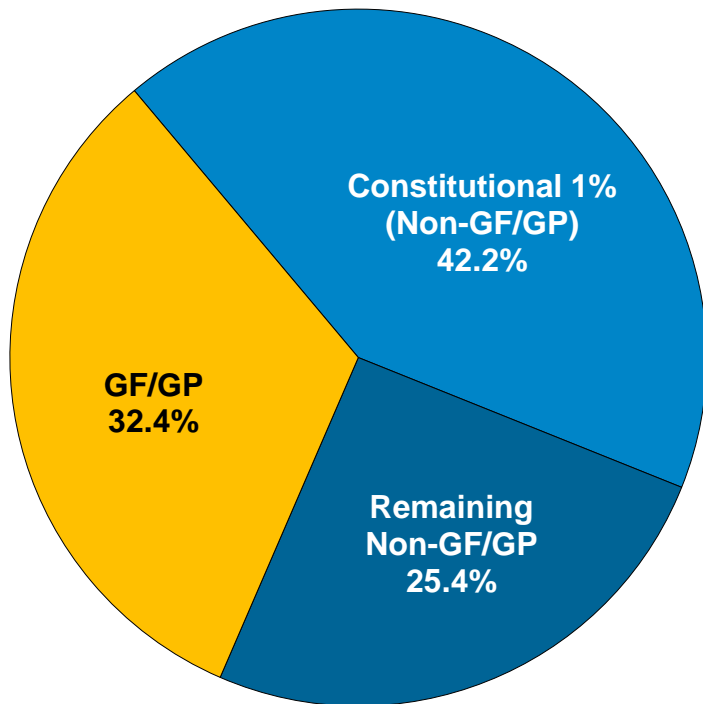
DTMB Appropriations: Civil Service Commission

FY 2014-15 Total = \$69,129,200



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*
IDG	\$3,337,900	\$1,300,000	\$4,637,900
Federal	\$3,069,100	\$0	\$3,069,100
Local	\$1,320,800	\$0	\$1,320,800
Private	\$190,400	\$0	\$190,400
Restricted	\$21,244,900	\$16,268,100	\$37,513,000
GF/GP	\$0	\$22,398,000	\$22,398,000
Total	\$29,163,100	\$39,966,100	\$69,129,200
%	42.2%	57.8%	100.0%

* FY 2015 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 (\$1,095,000, all IDG)**
Professional development for state employees, COBRA insurance premiums; funding negotiated in state collective bargaining agreements
- **Capital Outlay (\$25.0 million total)**
\$23 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 (\$37.3 million total)**
 - **Regional Prosperity Grants (\$1 million, all GF/GP)**
Economic and workforce development grants to regional planning organizations
 - **Capital Outlay- Enterprisewide Special Maintenance for State Facilities (\$7 million, all GF/GP)**
Supplements ongoing funding for maintenance and upkeep projects at state-owned properties; similar one-time appropriations were made for FYs 2013 & 2014
 - **Technology Services Funding (\$6.9 million, all IDG)**
Supports selected information technology projects
 - **Litigation Fund (\$4 million, all GF/GP)**
Support for state litigation costs

Other DTMB Appropriations

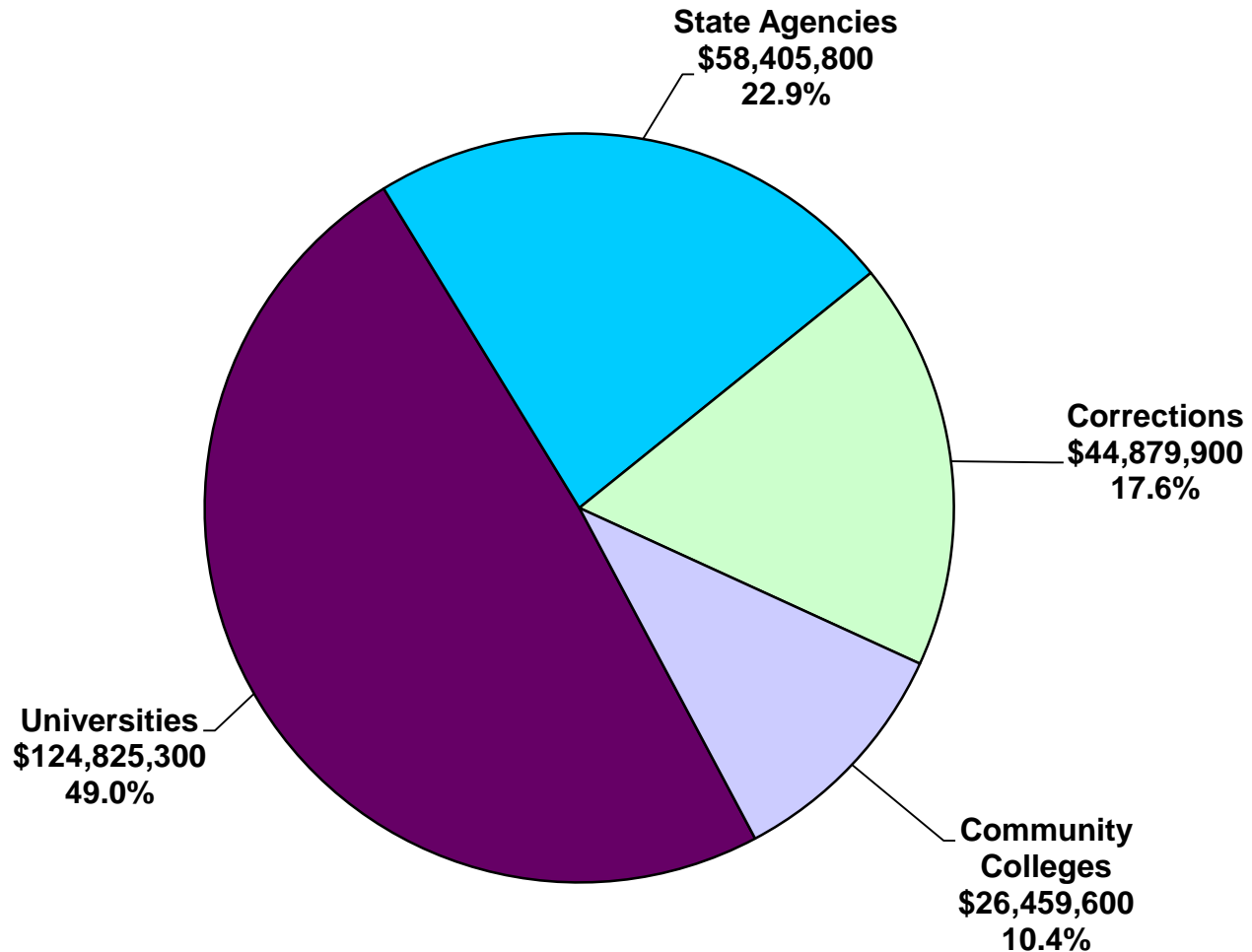
- **One-Time Appropriations (\$37.3 million total), continued**
 - **Office of Urban Initiatives (\$5 million, all GF/GP)**
Works with foundations, community partners, and the Michigan Economic Development Corporation (MEDC) to establish policies and create a strategic framework for urban economic development
 - **Michigan Business One-Stop – Depreciation (\$871,000, all GF/GP)**
Funds remaining capitalization costs of program
 - **Special Projects (\$1.3 million, all GF/GP)**
\$500,000 for bonus payments to National Guard retirees
\$250,000 for Catholic Charities Center for Hope in Genesee County
\$500,000 unspecified

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 2014-15 Total = \$254,570,600



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

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