



Background Briefing

MANAGEMENT AND BUDGET

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January 2010

The fiscal information in this background briefing is based on data through January 1, 2010.

Department of Management and Budget (DMB)

- **Legal authority under Management and Budget Act, 1984 PA 431**
- **Central service and management element of the Executive branch of state government**
- **Responsibilities include:**
 - **Ensuring proper financial record keeping for state agencies**
 - **Supervising the state's motor vehicle fleet and administering travel policies**
 - **Managing capital outlay projects and property for the state**
 - **Managing the state's retirement systems**
 - **Executing cost-effective purchasing programs**
 - **Providing office support services to state agencies**
- **Pursuant to Executive Order 2009-55, DMB will merge with the Department of Information Technology effective March 21, 2010; the new department will be called the Department of Technology, Management, and Budget**

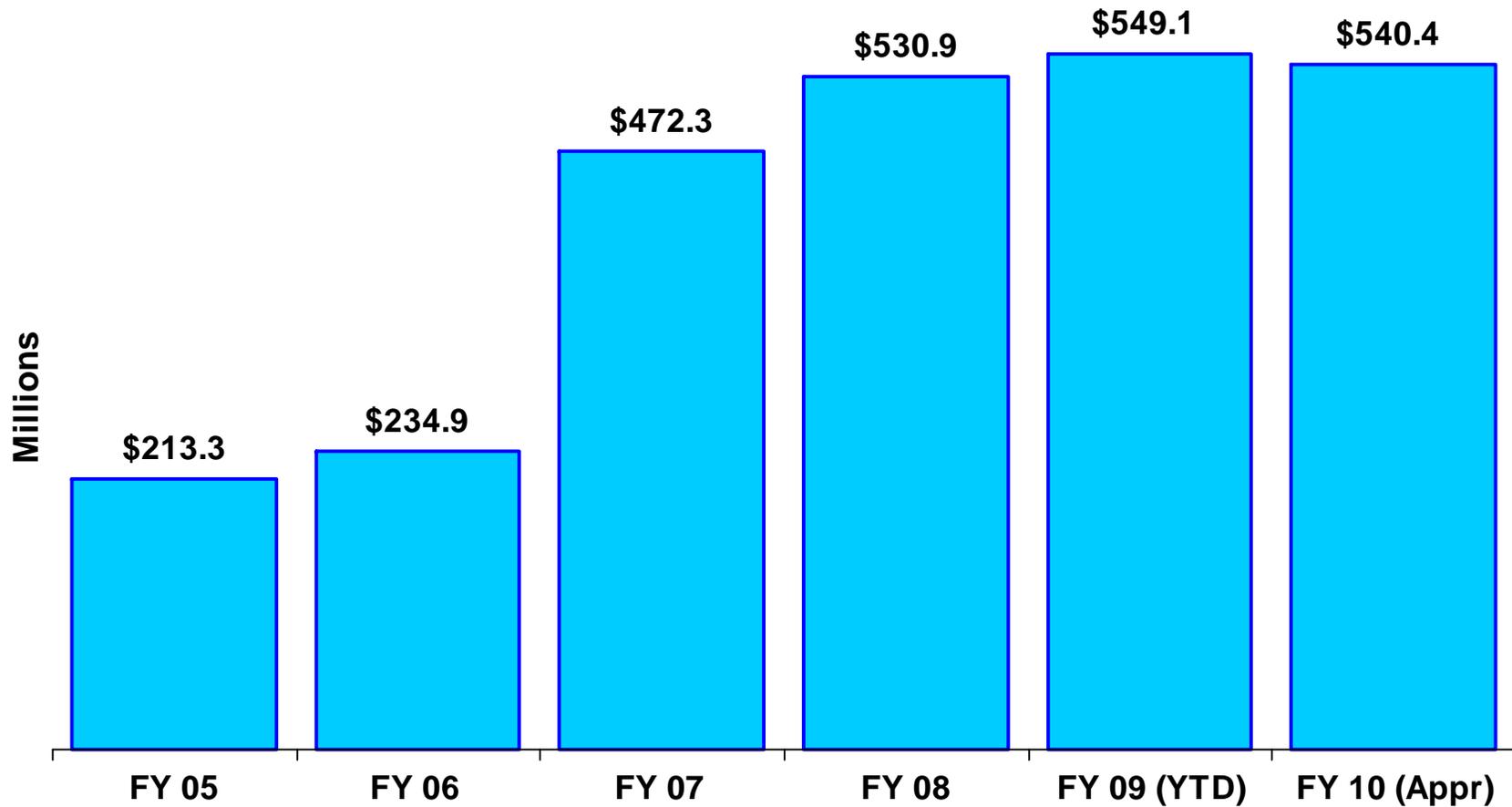
Department of Management and Budget

Autonomous units within DMB include:

- **State Budget Office – coordinates all aspects of the state budget including development of the Executive Budget recommendation, presentation of the budget to the Legislature and implementation of the budget after enactment; supervises and manages the collection and dissemination of educational data through the Center for Educational Performance and Information**
- **Office of the State Employer – oversees all collective bargaining negotiations with exclusive representatives and formulates, executes, and administers labor relations policies for state classified employees**
- **Office of Children’s Ombudsman – receives and investigates complaints concerning children who for reasons of abuse or neglect are under the supervision of the Department of Human Services (DHS) or its private contracted agencies; makes recommendations to the Governor, the Legislature, and DHS for changes in child welfare laws, rules, and policies to improve outcomes for children**
- **State Administrative Board – has control over the administrative activities of all state departments and agencies, including the approval of contracts and leases, oversight of the state capital outlay process and the settlement of small claims against the state**
- **Civil Service Commission – administers a statewide merit system which provides classified job opportunities within state government, maintains ongoing statewide recruitment, and administers employee benefit programs**

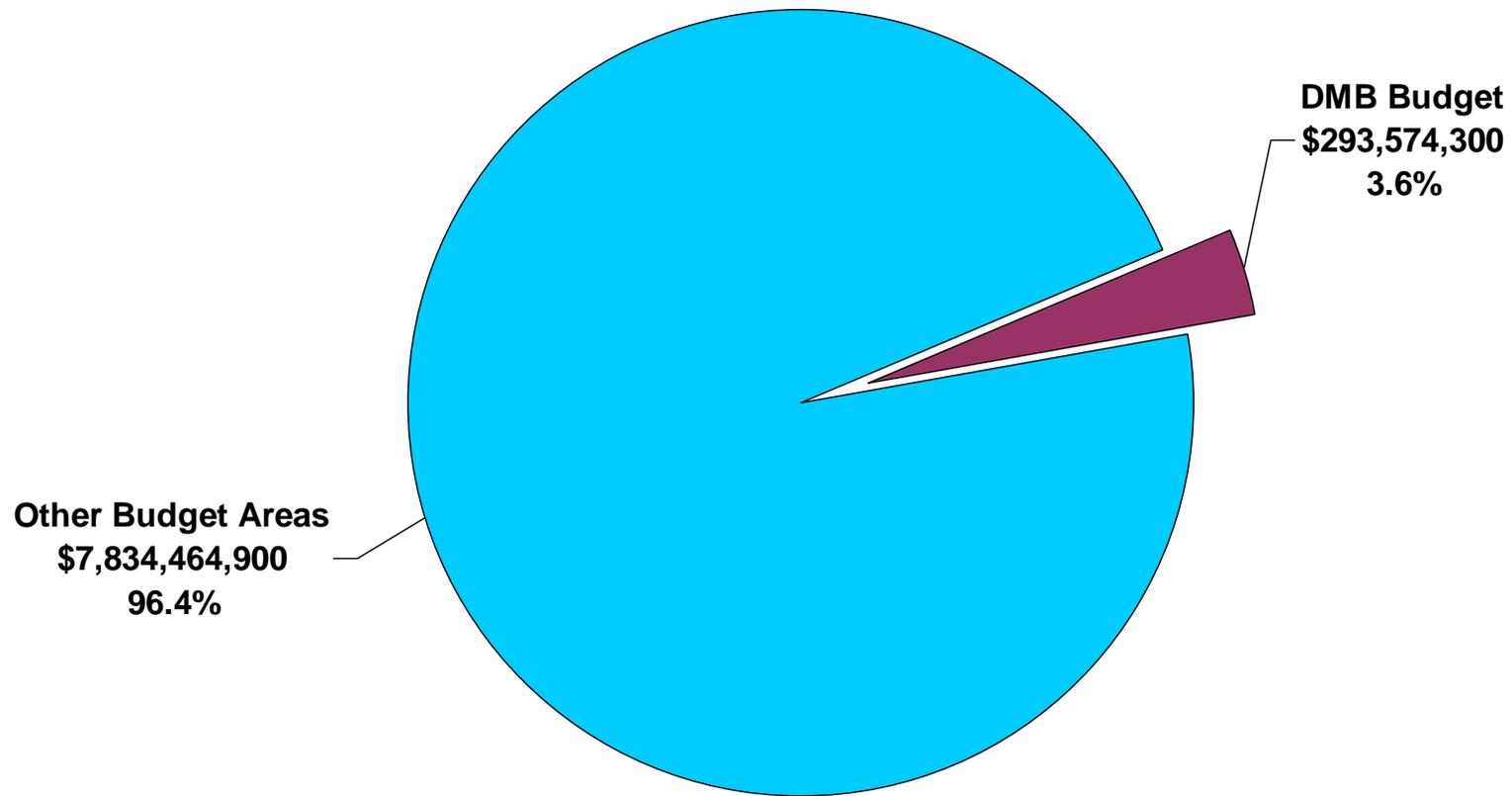
DMB

Spending increases due primarily to transfers from other departments: Michigan State Fair in FY 2006, State Building Authority rent payments in FY 2007; Civil Service in FY 2008, and all human resources functions in FY 2009. Spending decreases due to budget reductions.



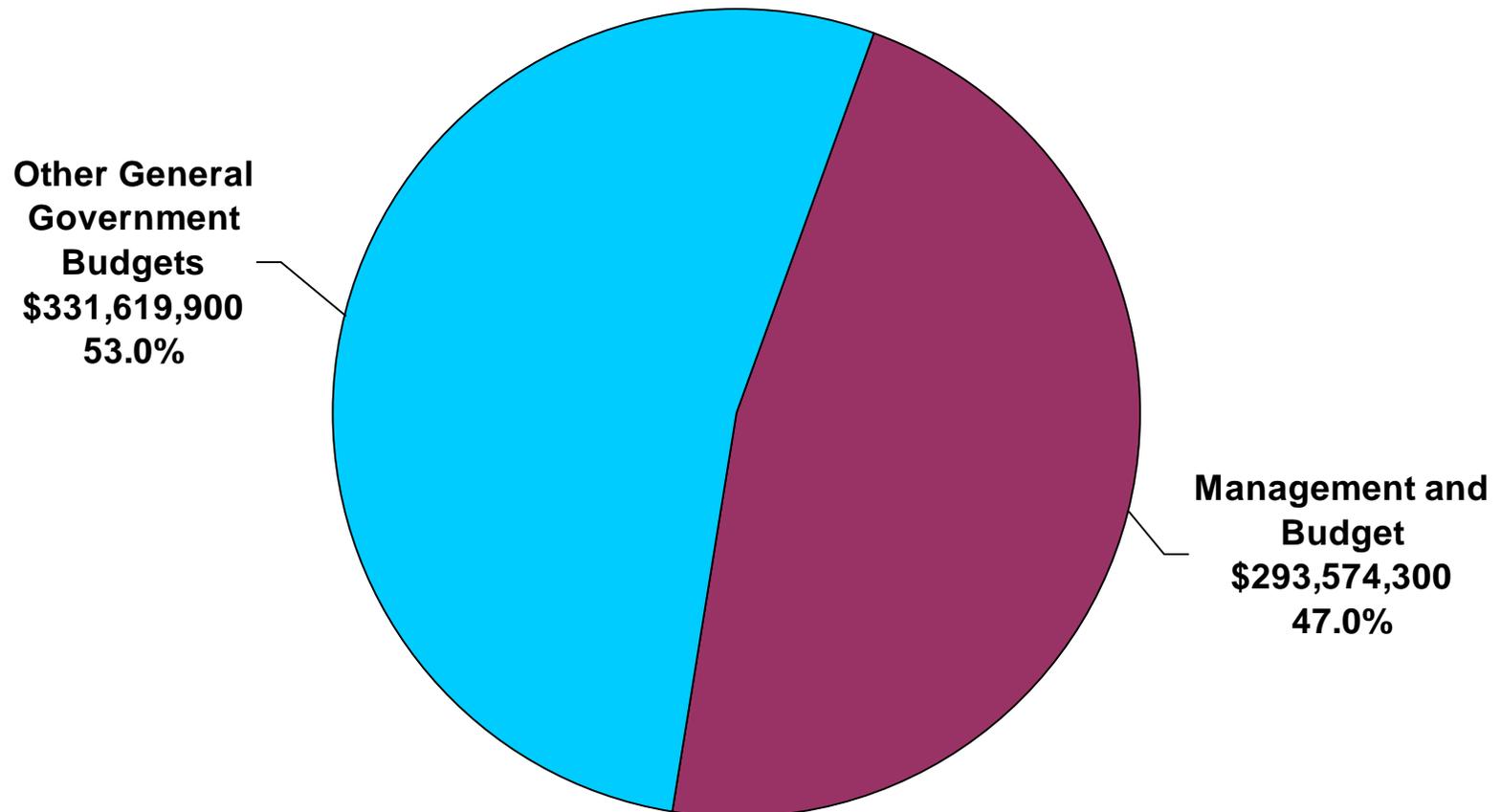
DMB Share of State GF/GP

FY 2009-10 Total State GF/GP = \$8,128,039,200



DMB Share of General Government GF/GP

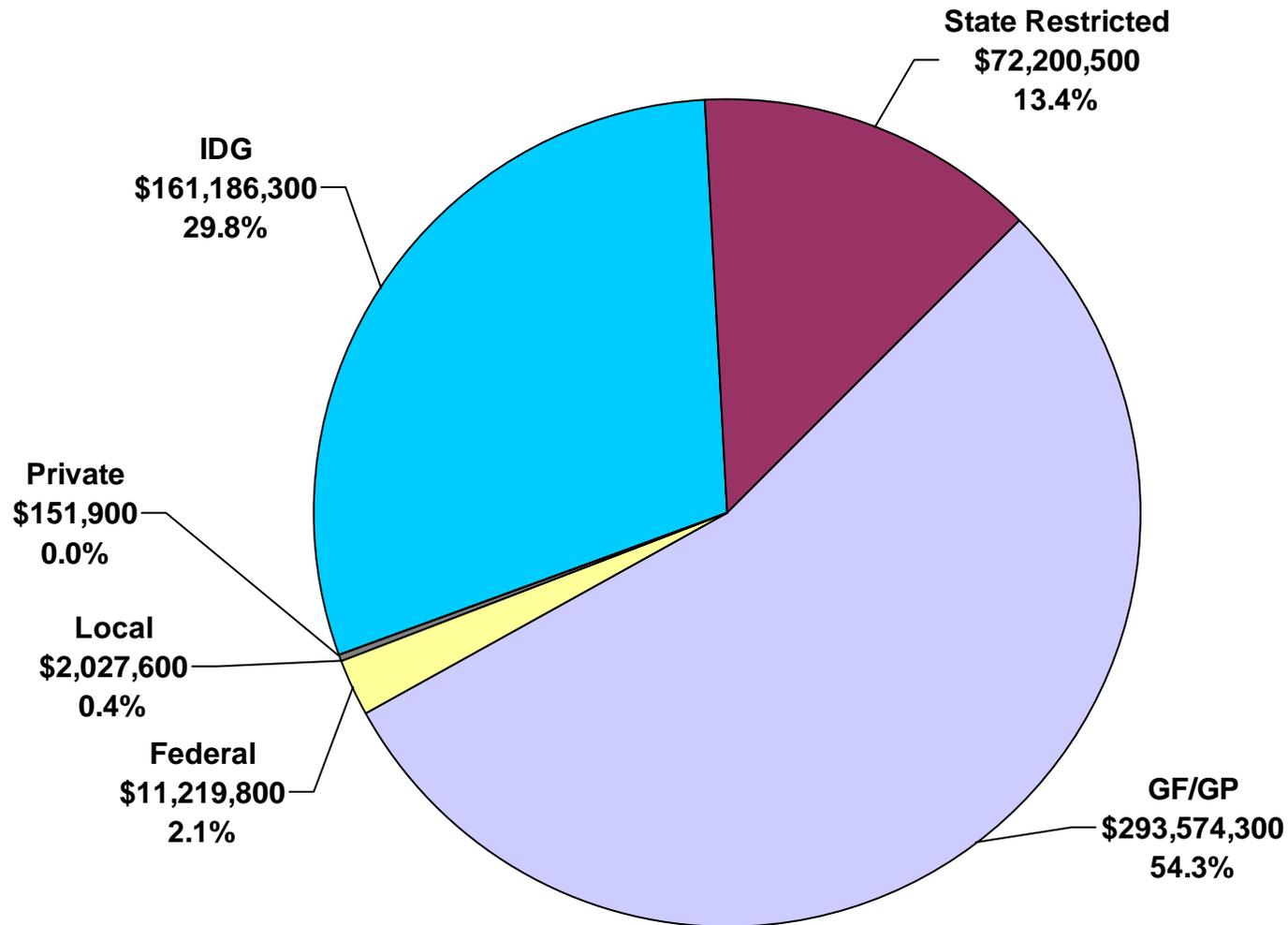
FY 2009-10 Total = \$625,194,200



SOURCES OF FUNDING

DMB Appropriations by Revenue Source

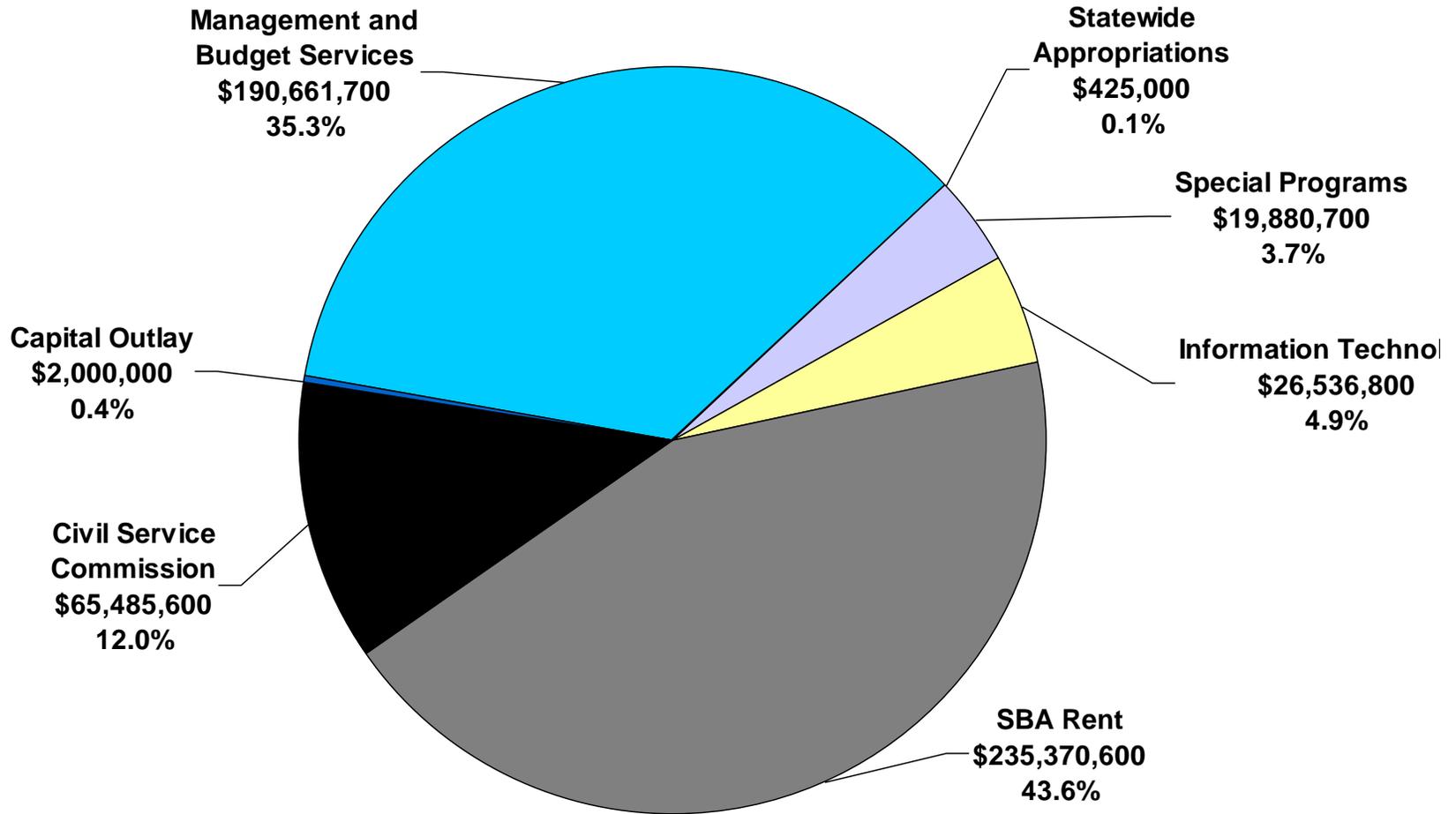
FY 2009-10 Total = \$540,360,400



STATE SPENDING

DMB Program Spending

FY 2009-10 Total = \$540,360,400



DMB Spending

- **Management and Budget Services: \$190,661,700 Gross**
 - **81.4% IDG, 0.1% federal, 7.8% state restricted, and 10.7% state GF/GP funding**
 - **Operational services for DMB, other state departments and agencies, colleges, universities, and other governmental units; includes administrative, budget, financial management, building construction and operation, real estate, and mail delivery services**
 - **State Budget Office prepares, presents, and executes the state budget on behalf of the Governor**
 - **Office of the State Employer**
 - **Central labor relations responsibilities as employer of the state classified work force**
 - **Responsible for worker's compensation, long term disability, statewide disability management, safety and health promotion, drug and alcohol testing, and counseling services**
 - **State Administrative Board oversees capital outlay process, fund investments, travel regulations, and settlement of small claims against the state; approves contracts and leases**

DMB Spending

- **State Building Authority** responsible for construction and facility acquisition, risk management functions for vehicles, and non-health related insurances
- **Building Operation Services** operates and maintains state facilities; responsible for physical plants, building equipment, grounds, space assignment and design, security, utilities, and parking
- **Design and Construction Services** administers state capital outlay program, major construction, special maintenance, and other operating projects; selects and surveys sites for new state facilities; provides administration and inspection services during construction; surveys and evaluates state buildings; recommends maintenance and repair procedures; prepares bid documents, reviews bids, and recommends bid awards
- **Vehicle Travel Services** responsible for acquisition, lease, maintenance, operation, repair, replacement, and disposal of state government motor vehicles

DMB Spending

- **Information Technology: \$26,536,800 Gross**
 - 3.5% IDG, 51.2% state restricted, and 45.3% state GF/GP funding
 - Information technology-related services and projects which support Department activities; administered by the Department of Information Technology

- **Statewide Programs: \$425,000 Gross**
 - 100% IDG funding
 - Professional development for state employees to address the needs of a changing workforce, the impact of advances in technology, department program needs, and new skill requirements
 - Direct reimbursement to employees for tuition, travel expenses, conference registration fees, seminar attendance, licensing refresher courses, continuing education requirements, and insurance premiums maintained under COBRA
 - Appropriations negotiated in collective bargaining agreements between the State Employer and various unions; DMB administers appropriations

DMB Spending

- **Special Programs: \$19,880,700 Gross**
 - 86.7% state restricted and 13.3% state GF/GP funding
 - Unique programs created by the Legislature
 - Property management services for executive and legislative building occupancy
 - Office of Retirement Services administers retirement systems for employees and retirees of public schools, the State of Michigan, state police, and judges
 - Office of Children’s Ombudsman investigates actions, decisions, policies, and protocols of the Department of Human Services and child placing agencies related to children in Michigan’s child welfare system

State Building Authority (SBA) Rent Payments

FY 2009-10 Total = \$235,370,600

- **100% state GF/GP funding for rent payments for construction projects financed by SBA for state agencies, universities, and community colleges**
- **SBA was organized pursuant to 1964 PA 183 to acquire, construct, furnish, equip, and renovate buildings and equipment for use by the state, including public universities and community colleges**
- **SBA is governed by a five-member Board of Trustees appointed by the Governor**
- **SBA 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**

Civil Service Commission

- **EO 2007-30 transferred all Department of Civil Service functions to DMB and transferred all human resources functions from state agencies to the Civil Service Commission within DMB**
- **Mission is to provide the best human resource services to attract, develop, and retain an effective state workforce**

Civil Service Commission

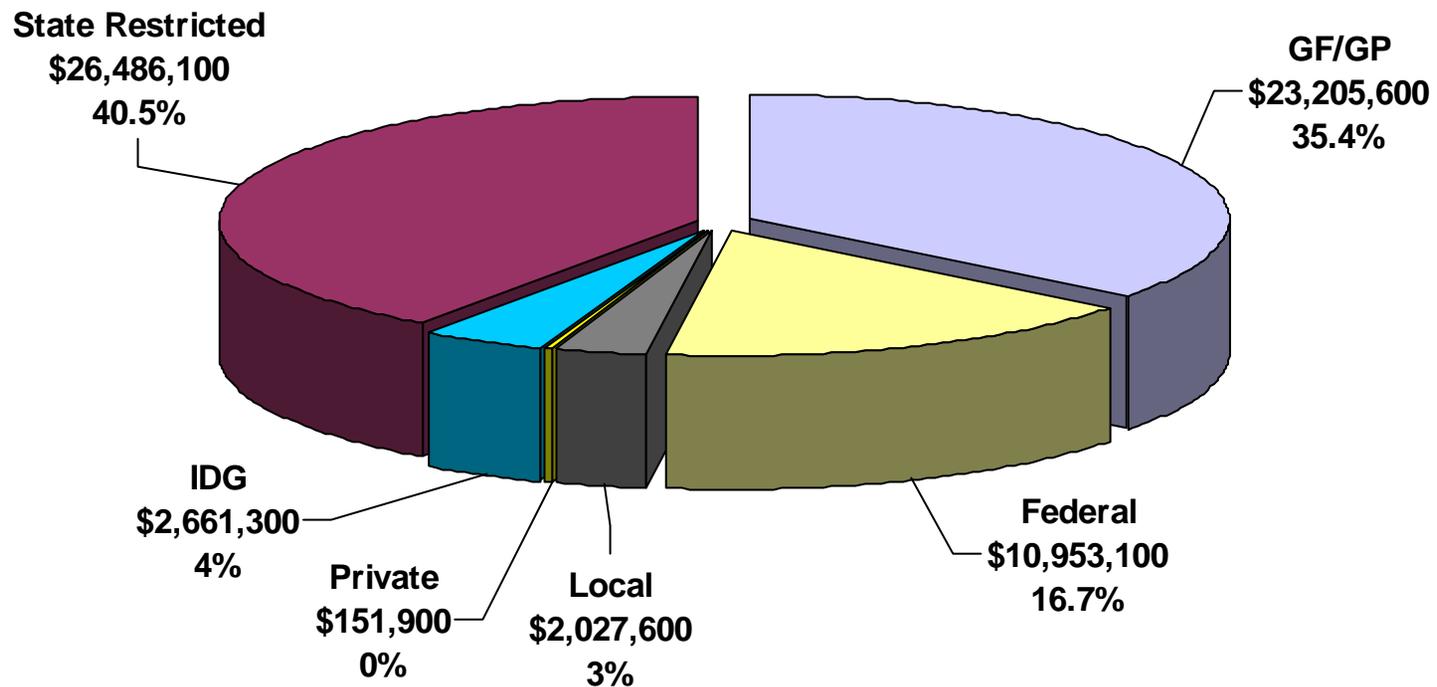
- Funding is guaranteed by the State Constitution, Article XI, Section 5:

“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.”

- State Personnel Director is appointed to carry out Commission responsibilities
- Responsibilities include:
 - Classification of positions according to duties and responsibilities
 - Fixing compensation rates for all classes of positions
 - Approving/disapproving disbursements for all personal services
 - Determining qualifications of candidates for classified service positions by competitive examination and performance on the basis of merit, efficiency, and fitness
 - Making rules and regulations covering all personnel transactions
 - Regulating all conditions of employment in the classified service
 - Administering employee benefit programs

Civil Service Commission Appropriations by Revenue Source

FY 2009-10 Total = \$65,485,600



Civil Service Spending

- **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; administered by the Department of Information Technology**

**For more information about the
Management & Budget budget,
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