



Background Briefing

TECHNOLOGY, MANAGEMENT, AND BUDGET

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December 2013

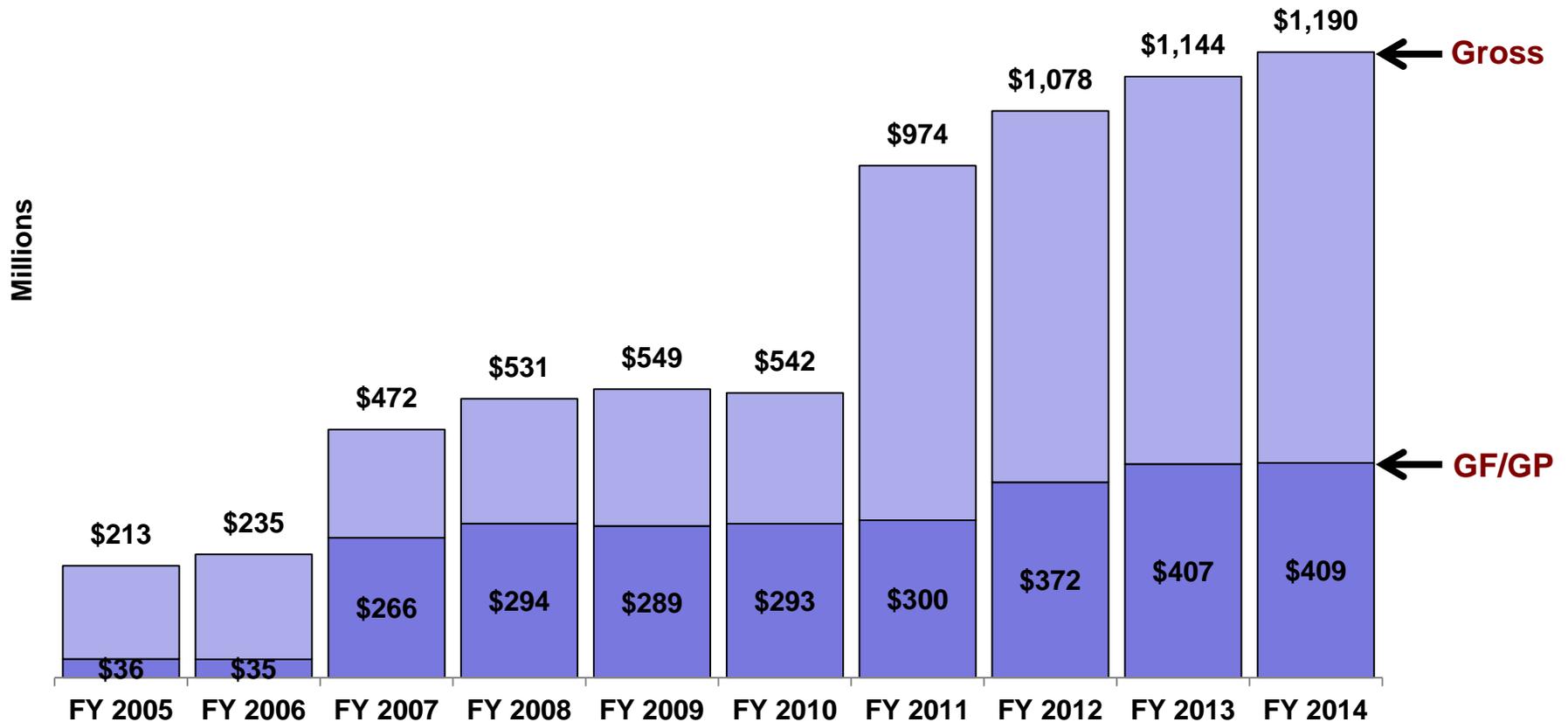
The fiscal information in this background briefing is based on data through December 31, 2013.

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

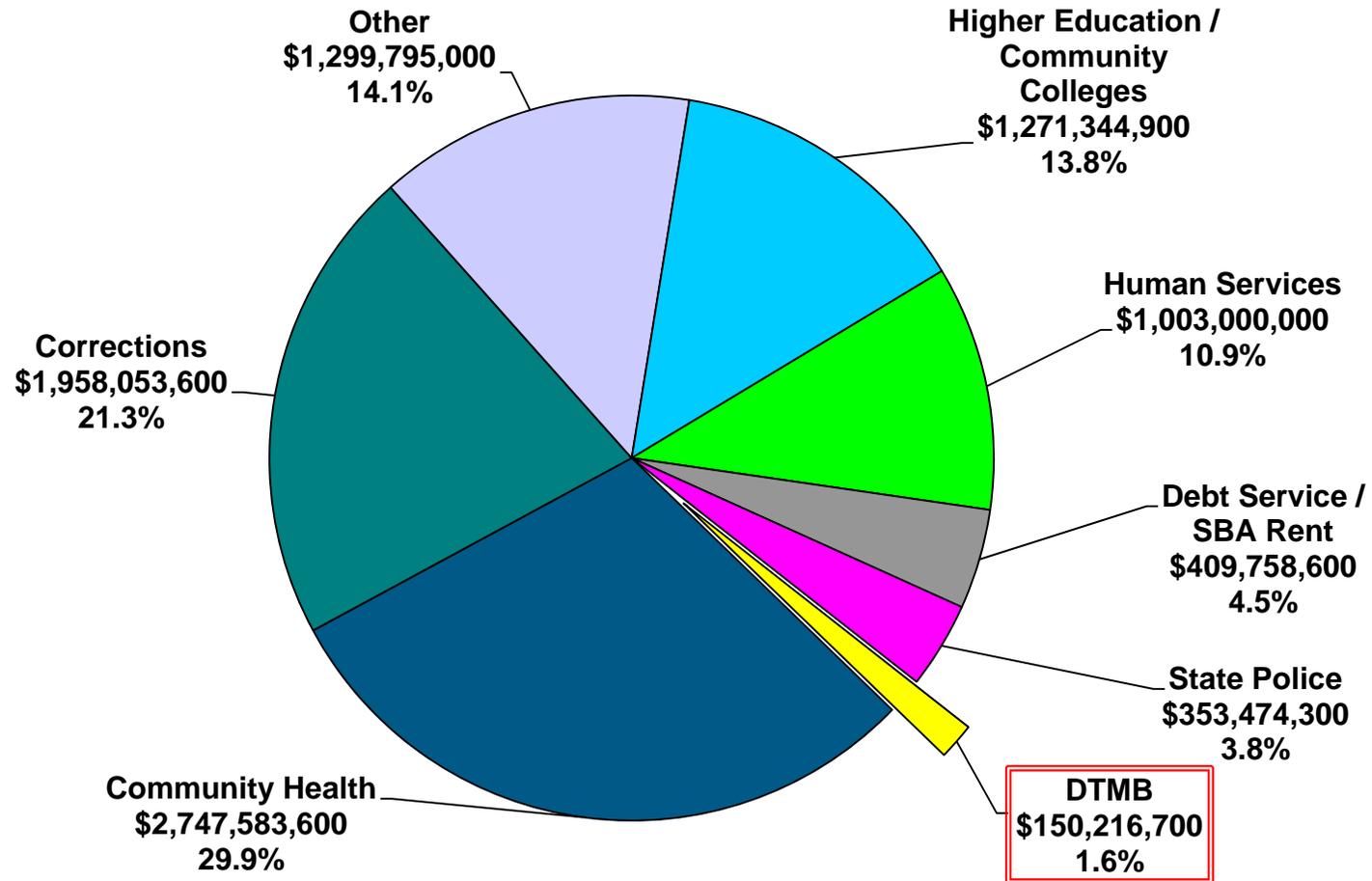
Spending increases are due primarily to transfers from other departments, including: Michigan State Fair (FY 2006), State Building Authority rent payments (FY 2007), Civil Service (FY 2008), human resources functions (FY 2009), Information Technology (FY 2011), and labor market statistics (FY 2011). Other major additions: new IT development and building maintenance funding (FY2013), and various one-time appropriations (FYs 2013 and 2014).



DTMB Share of State GF/GP

DTMB makes up 1.6% of the total state GF/GP budget

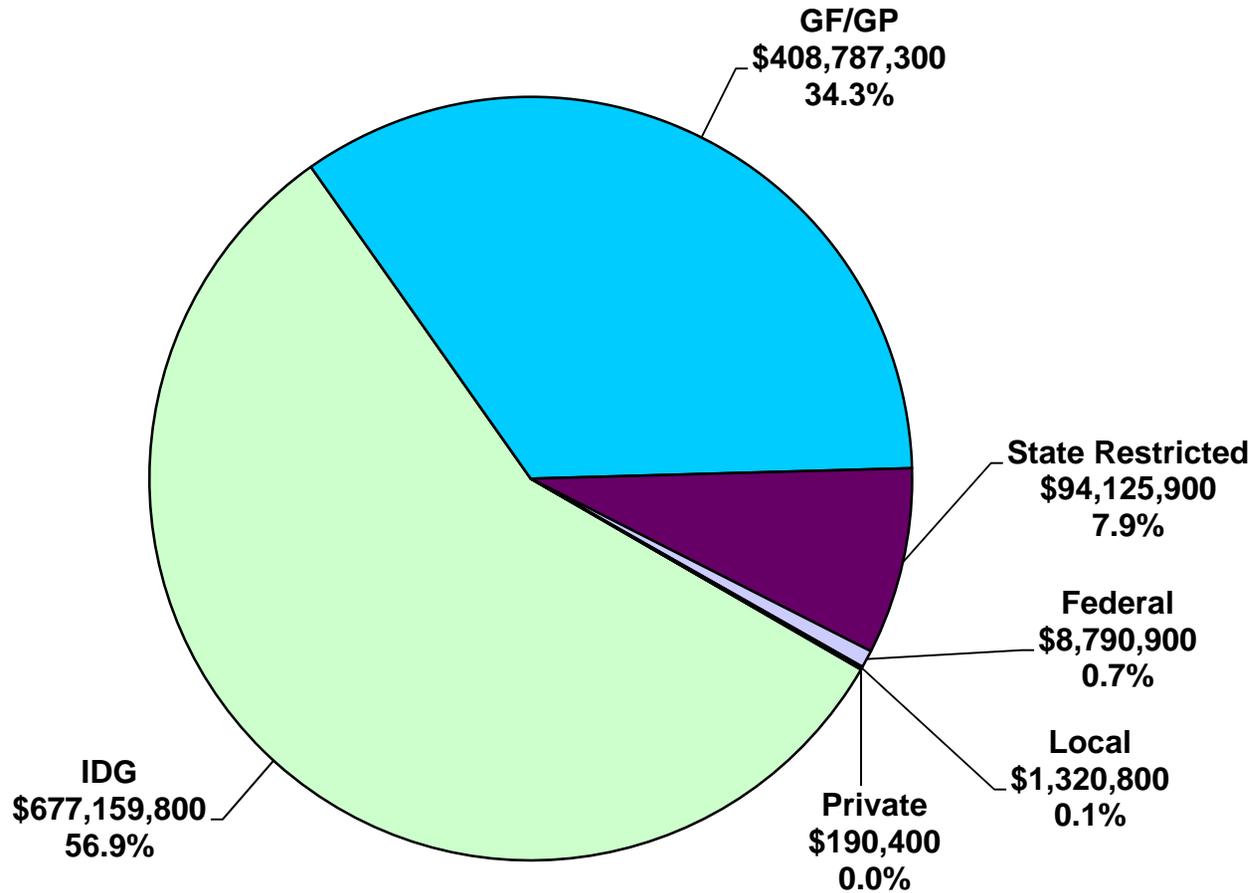
FY 2013-14 GF/GP Total = \$9,193,226,700



SOURCES OF FUNDING

DTMB Funding Sources

FY 2013-14 DTMB Budget = \$1,190,375,100
(Includes \$37.3 million in one-time appropriations)

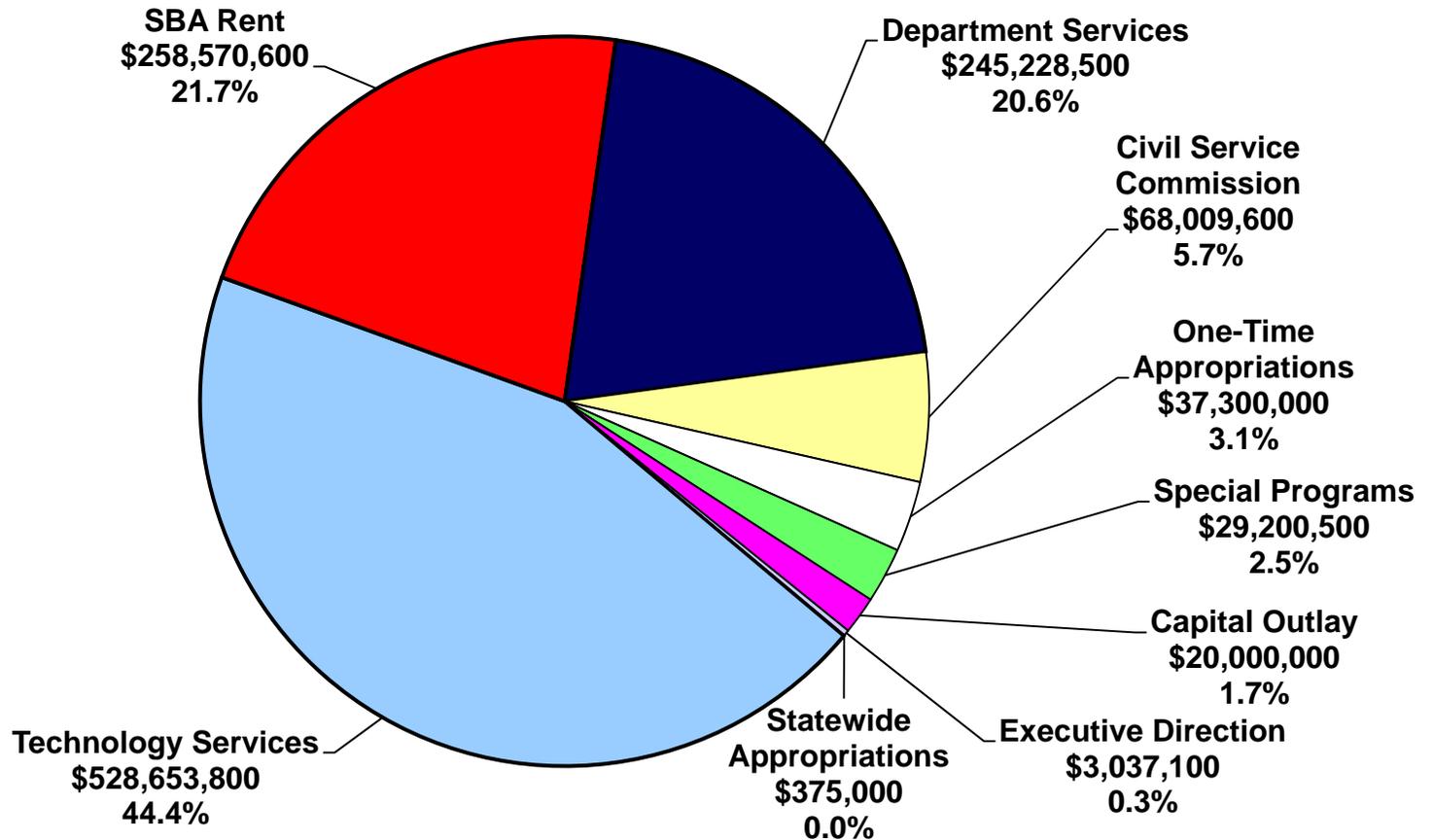


DEPARTMENT APPROPRIATIONS

DTMB Gross Appropriations

FY 2013-14 Total = \$1,190,375,100

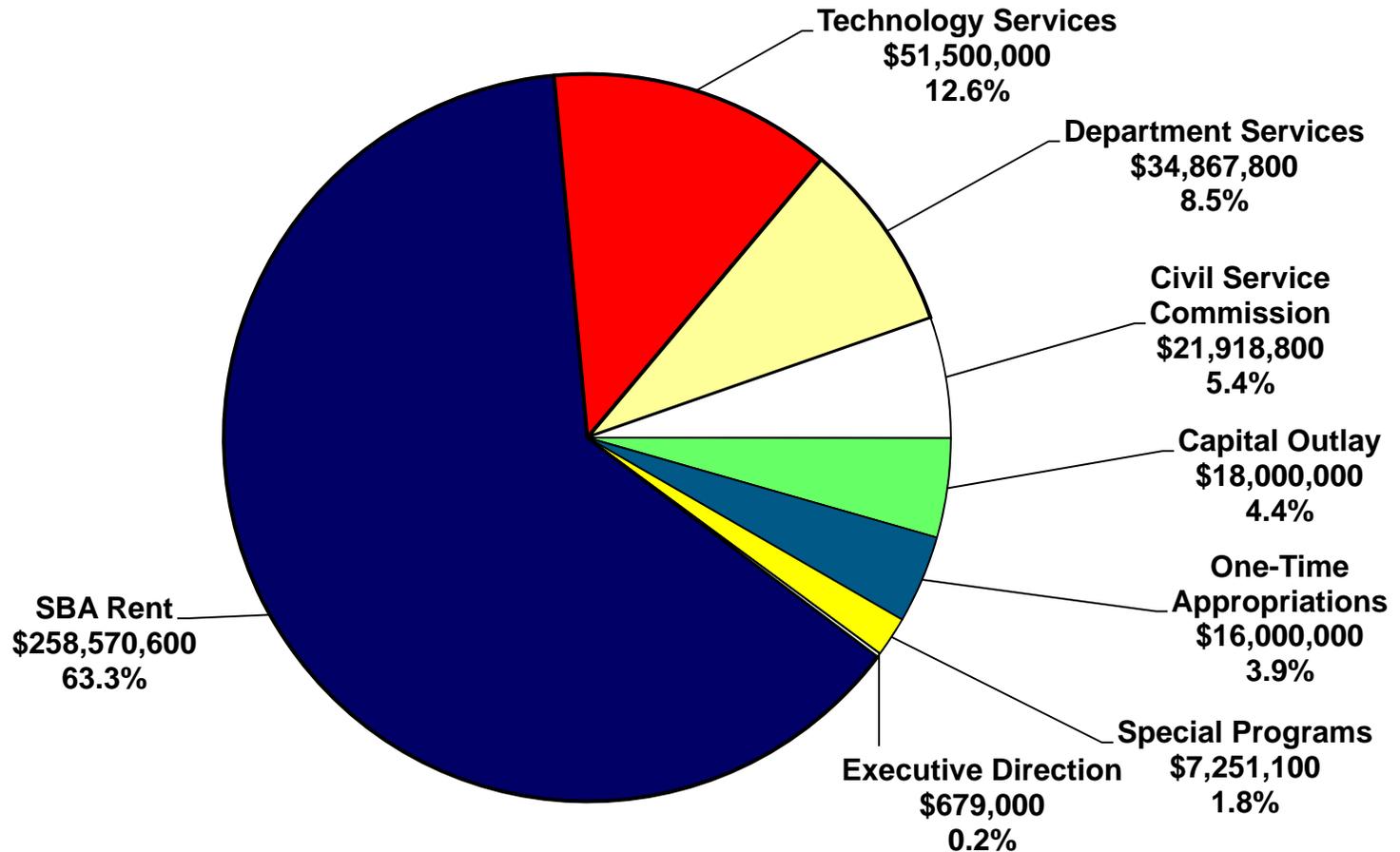
Includes \$37.3 million in one-time appropriations, and \$699,100 in restricted revenue funding for State Building Authority (SBA), which was transferred to Treasury under Executive Order 2013-8. As of December 2013, a pending supplemental request would transfer SBA funding and associated boilerplate to Treasury.



DTMB GF/GP Appropriations

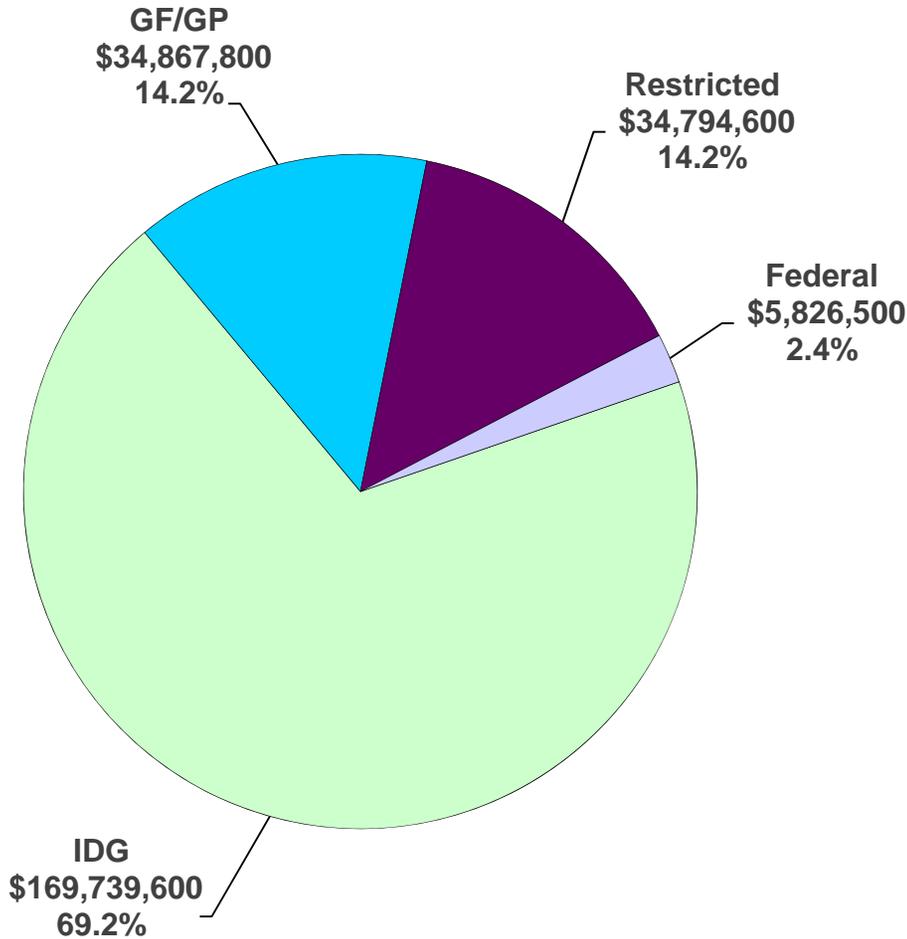
FY 2013-14 Total = \$408,787,300

Includes \$16.0 million in one-time appropriations.



DTMB Appropriations: Department Services

Total: \$245,228,500



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

Includes \$699,100 in restricted revenues supporting the State Building Authority, which was transferred to Treasury under Executive Order 2013-8. A supplemental request pending as of December 2013 would move these funds and associated budget act language to Treasury.

DTMB: Department Services, continued

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

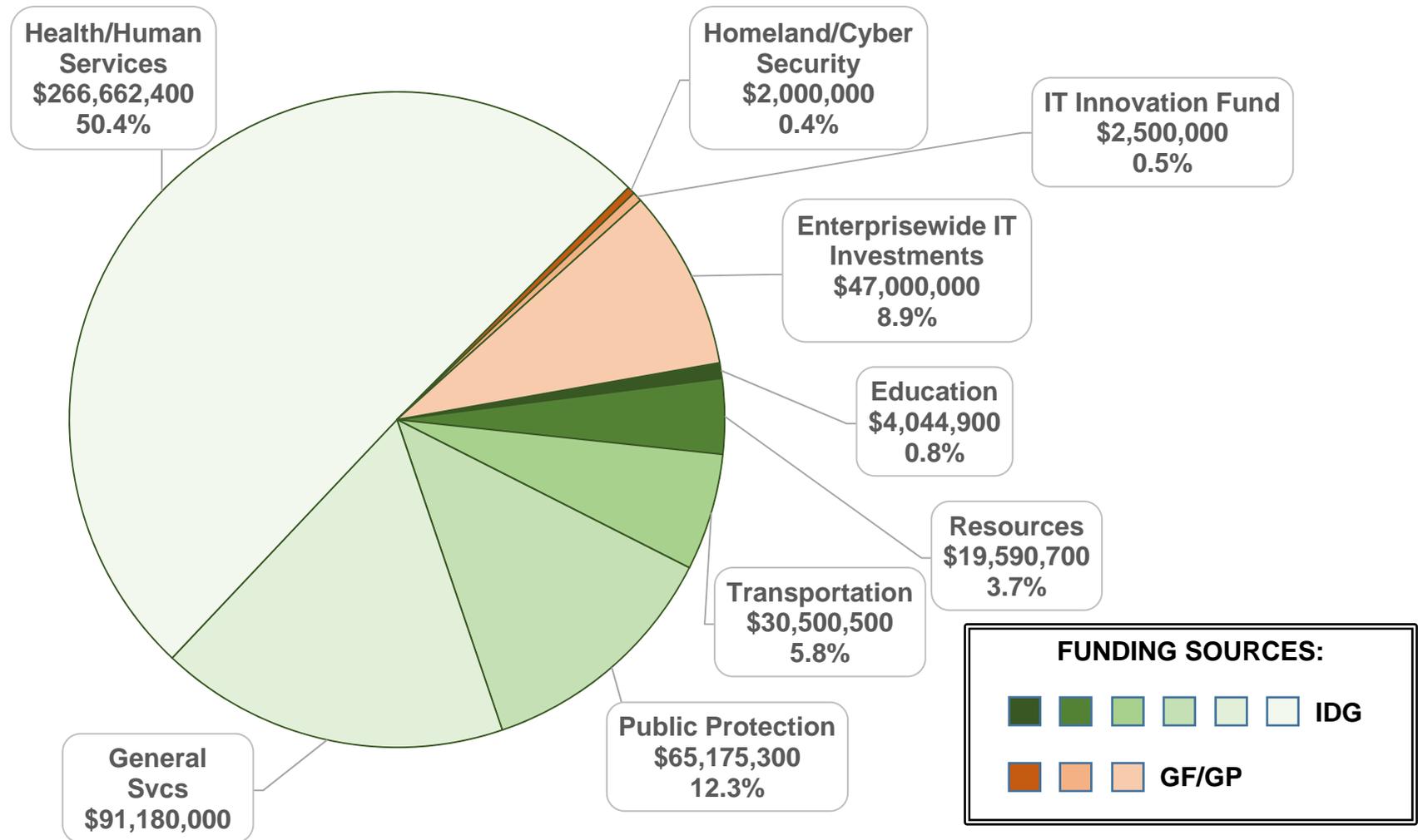
- **State Budget Office**
Prepares, presents, and executes the state budget office on behalf of the governor
- **Financial Services**
Accounts payable, billing, projections, contract and lease management
- **Office of Financial Management**
Accounting and payroll oversight, Comprehensive Annual Financial 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, continued

- **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 Total: \$528,653,800

About 90% of DTMB's IT Services funding consists of IDG-supported services to state agencies.



DTMB Appropriations: Technology Services

Total: \$528,653,800

IT services to state agencies (\$477.2 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

Information Technology Innovation Fund (\$2.5 million GF/GP):

- Loans to other state agencies for high-priority, low-cost projects that demonstrate a significant return on investment

Homeland Security Initiative/Cyber Security (\$2.0 million GF/GP):

- Cyber Security Operations Center under homeland security initiative

Enterprisewide Information Technology Investments (\$47.0 GF/GP):

- Statewide IT initiatives targeting technology upgrades and automation opportunities

DTMB Appropriations: Special Programs

Total: \$29,200,500

Funds:

- **Executive/Legislative Building Occupancy (\$1.2 million, all GF/GP)**
 - Space occupied by the Executive Office in the Romney Building in Lansing and Cadillac Place in Detroit
- **Retirement Services (\$25.3 million Gross, \$4.8 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 (\$1.2 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
- **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

Civil Service Commission

Total Appropriations: \$68,009,600

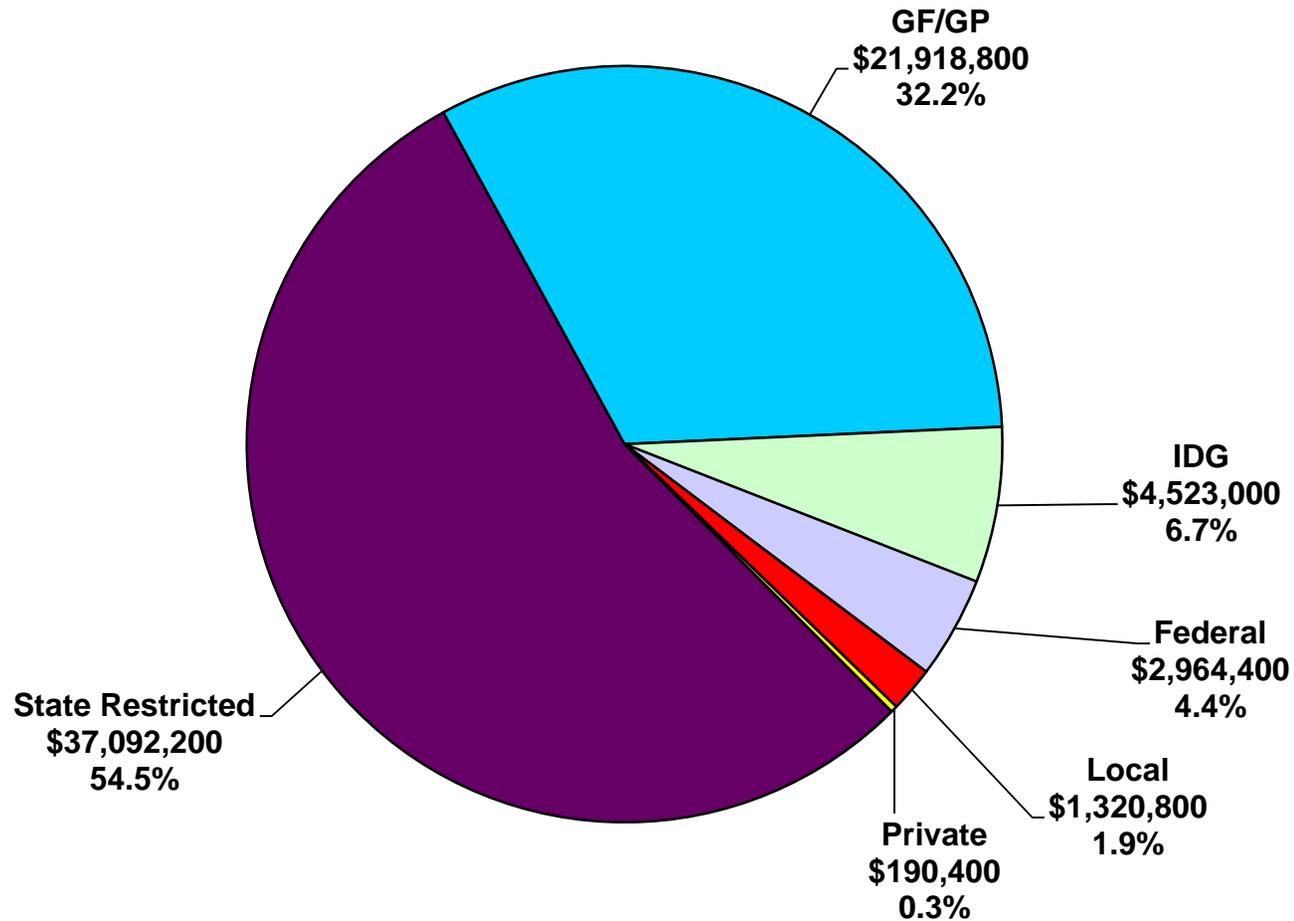
- **Funding is guaranteed by the State Constitution, Article XI, Section 5:**

“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**

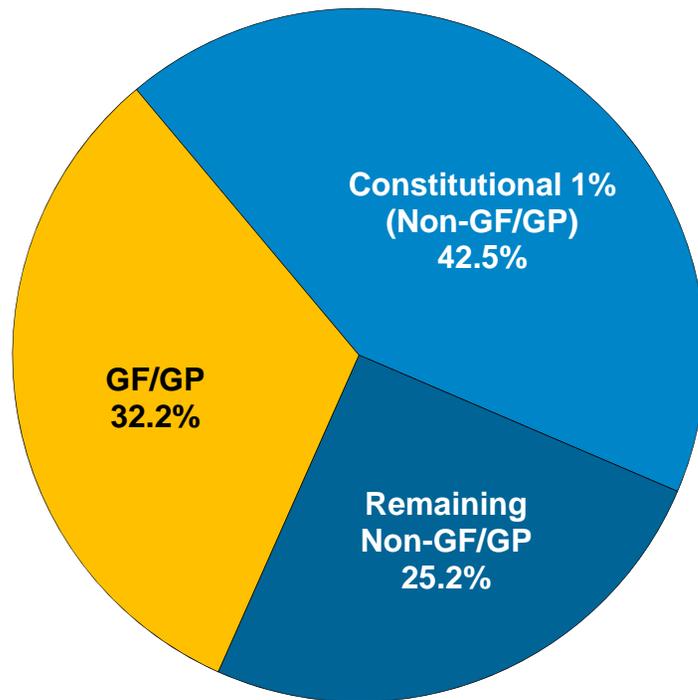
DTMB Appropriations: Civil Service Commission

Total: \$68,009,600



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	\$3,223,000	\$1,300,000	\$4,523,000
Federal	\$2,964,400	\$0	\$2,964,400
Local	\$1,320,800	\$0	\$1,320,800
Private	\$190,400	\$0	\$190,400
Restricted	\$21,232,900	\$15,859,300	\$37,092,200
GF/GP	\$0	\$21,918,800	\$21,918,800
Total	\$28,931,500	\$39,078,100	\$68,009,600
%	42.5%	57.5%	100.0%

* FY 2014 appropriated amounts

Civil Service Appropriations, continued

Funds State Personnel Director

- Classified position filled by Civil Service Commission selection
- Serves as principal executive officer of the Commission
- Responsibilities include:
 - Classification of civil service positions according to duties and responsibilities
 - Fixing compensation rates for all classes of positions
 - Approving/disapproving proposals for personal service contracts
 - 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

Civil Service Appropriations, continued

Responsibilities of the Office of the State Personnel Director, continued

- **Administering 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 (\$375,000, all IDG)**
Professional development for state employees, COBRA insurance premiums; funding negotiated in state collective bargaining agreements
- **Capital Outlay (\$20.0 million total)**
\$18.0 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 Basis Only Appropriations (\$37.3 million total)**
 - **Delta County Bridge Removal (\$1.5 million, all GF/GP)**
Removal of deteriorated bridge over the Escanaba River
 - **Regional Prosperity Grants (\$2.5 million, all GF/GP)**
Economic and workforce development grants to regional planning organizations
 - **Special Maintenance, Remodeling and Addition – State Facilities (\$10.0 million, all GF/GP)**
Supplements ongoing funding for maintenance and upkeep projects at state-owned properties; an identical one-time appropriation was made for FY 2013
 - **Technology Services Funding (\$21.3 million, all IDG)**
Supports selected information technology projects
 - **Legal Services (\$2.0 million, all GF/GP)**
Support for state litigation costs

State Building Authority (SBA) Rent Payments

Total: \$258,570,600 (all GF/GP)

- **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.**

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

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