

DTMB

FY 2021 Budget

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DTMB Director

House Appropriations Sub-Committee on General Government
Feb. 18, 2020



FY 2021 State of Michigan budget invests in ...



Education
& Skills



Health &
Families

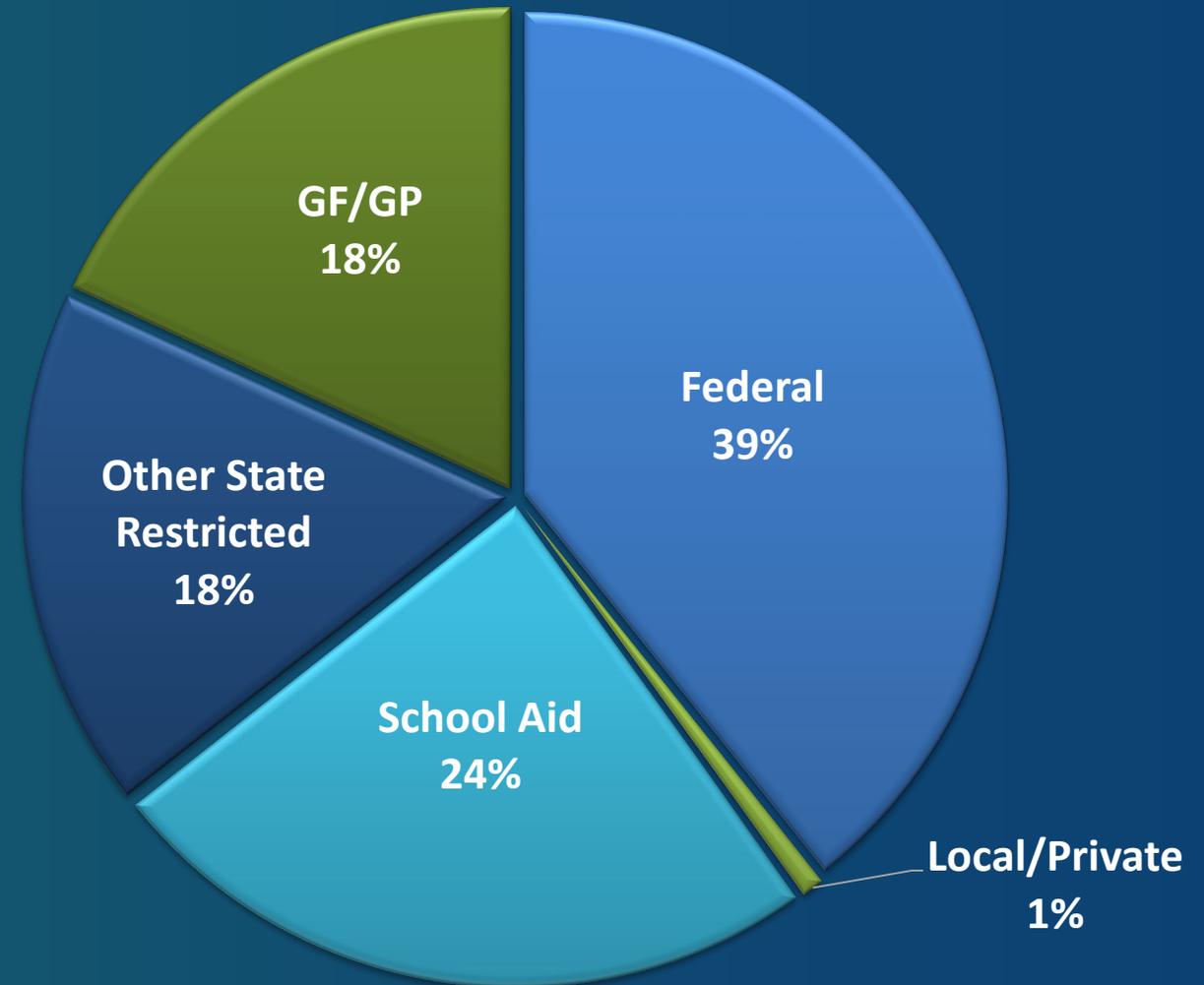


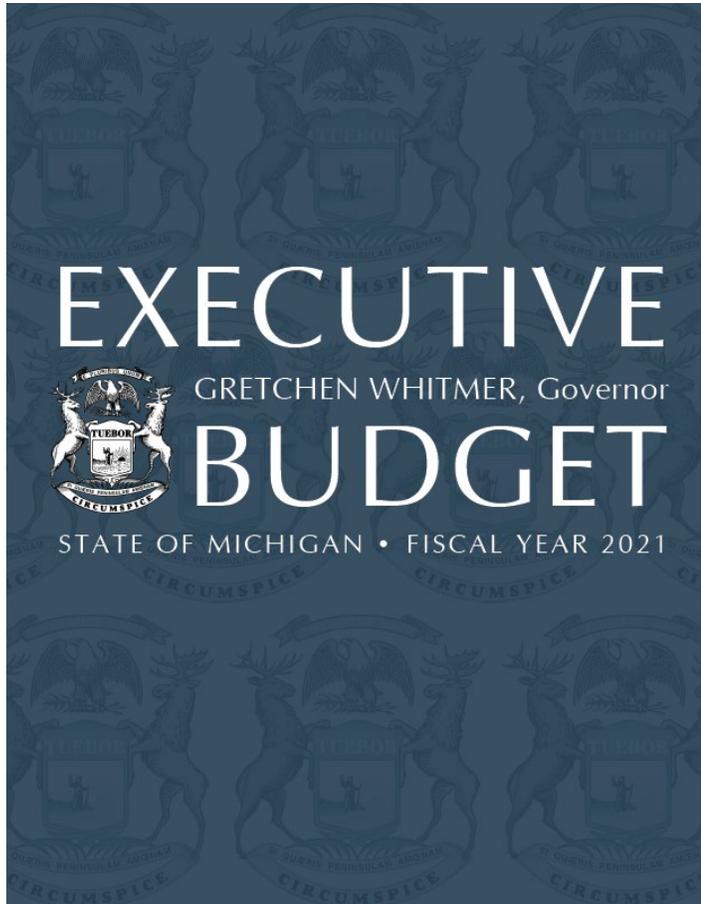
Climate &
Water

FY 2021 BUDGET

- Michigan's General Fund has been flat for 20+ years
- There are significant pressures on the Michigan's General Fund
- The Governor's Office worked with the State Budget Office to make reductions where it made sense

TOTAL BUDGET BY SOURCE





- Gov. Whitmer is focused on getting things done that will make a difference in families' lives right now
- The governor's **FY21** budget recommendation is focused on keeping families safe and healthy, improving public education and skills, and protecting Michigan from the harmful effects of climate change
- We are in full support of the governor's recommended budget for our department



Manage **\$52.3 billion** in contracts



Manage and maintain **9.8 million square feet** of state-owned building space



Manage maintenance and logistics of over **9,000** fleet vehicles



Support approximately **50,000** workstations, including desktops, laptops, and tablets



Support approximately **17,000** mobile devices



Facilitate over **500,000** customer interactions annually, including help desk tickets and phone calls



1 in 9 Michigan households benefit from the Office of Retirement Services



Process more than **56 million** pieces of mail to create savings over first class rates



Management of **677** active construction projects totaling **\$1.3 billion**



Maintain statewide network with over **106,000** radios for first responders

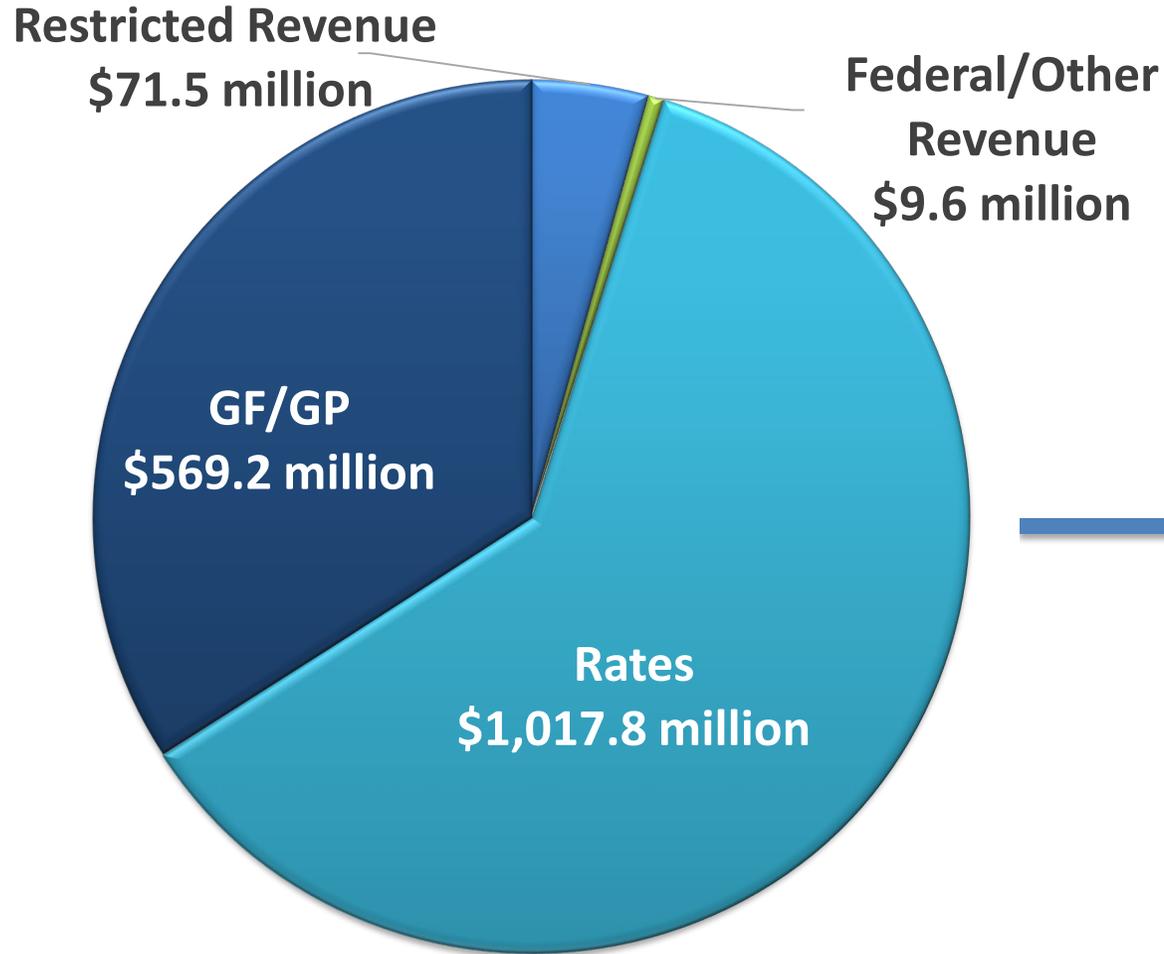


Repel over **90 million** potentially malicious cyber-probes and actions every day

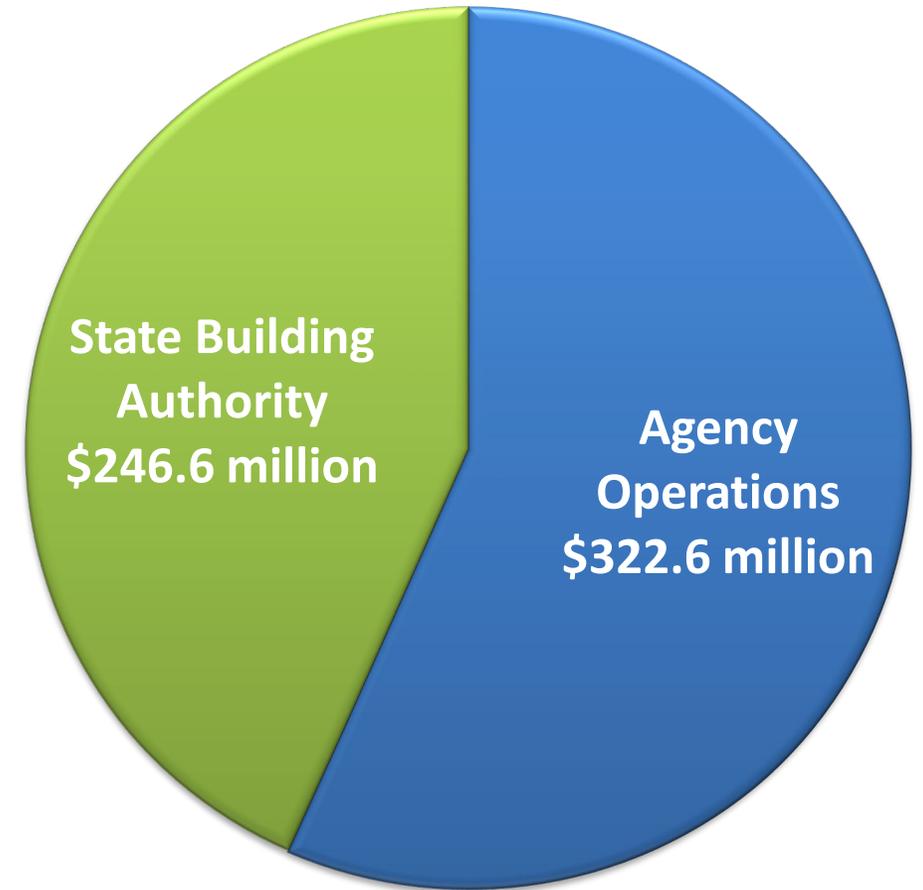


Over **1,650** applications are maintained and secured across every state agency each day

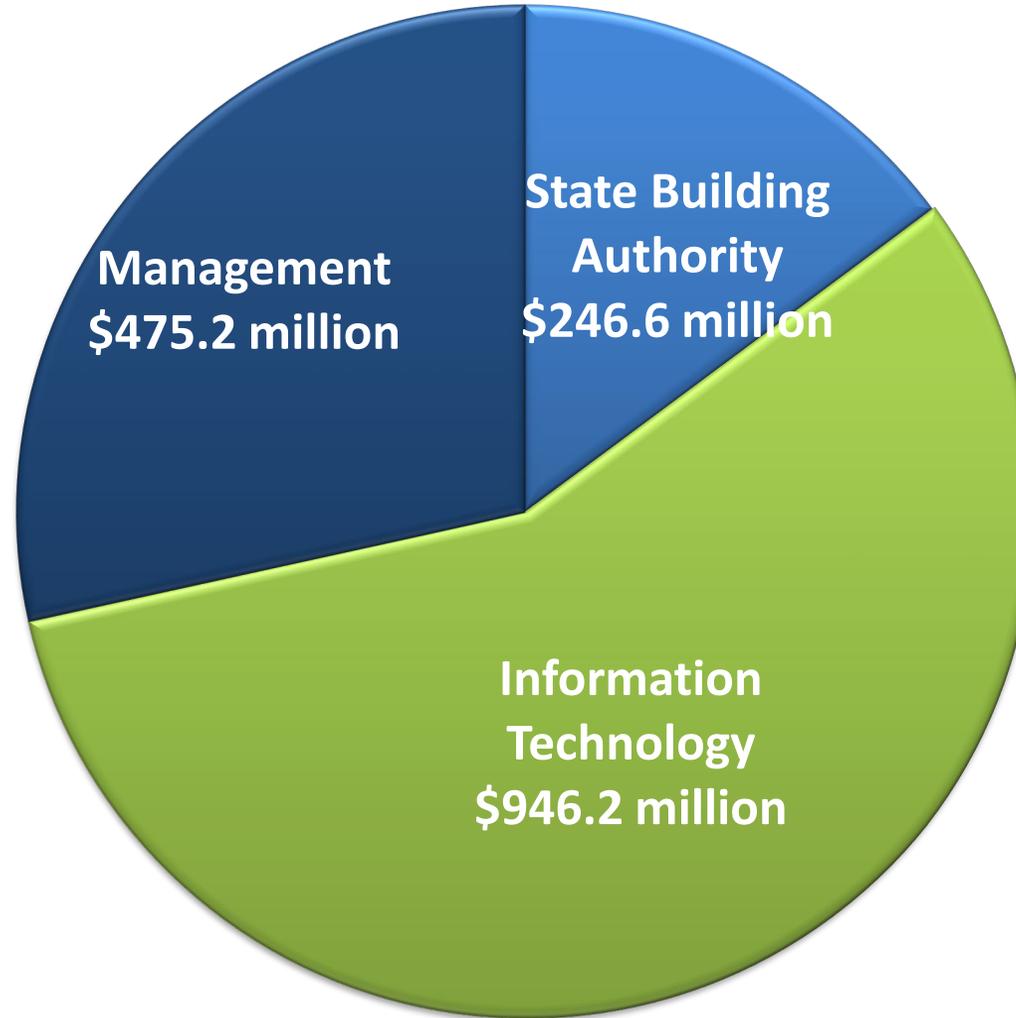
DTMB Fund Sourcing by Source



GF/GP Breakdown



DTMB Breakdown





\$5.6 million in real estate savings in FY'19 and **\$11 million** over the life of the existing lease portfolio



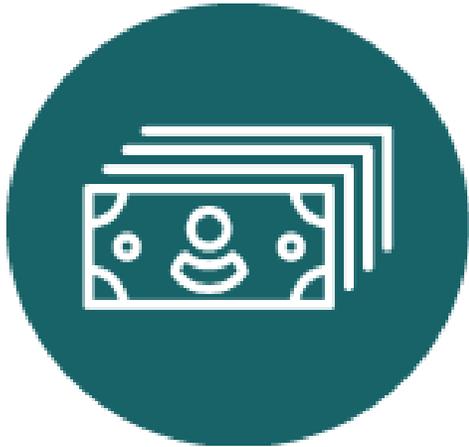
\$13.3 million in negotiated contract savings



\$1.0 million in energy savings annually since 2017



\$8.9 million savings over first class mail rates



ACTIONS

- DTMB Executive Office Streamlining
- Lean Process Improvements, Focus on IT projects
- Director Hiring Approval
- Travel & Expense Reductions
- Strategic Planning

RESULTS

- Delays rate increases
- Reinvestment in programming



Developed the **DTMB Toolbox** that includes over **1,650** applications



5 straight “A” ratings from the Center for Digital Government for IT best practices since 2013

Ranked number one in the 2019 Governing Institute Procurement Survey



Persistent Threat Protection
\$20 million GF, one-time



Green Revolving Fund
\$5 million GF, one-time



State Psychiatric Hospitals
Special Maintenance
\$30 million GF, one-time



Cybercriminals,
Nation-States, and
Hacktivists



Employees,
contractors, and
business partners



Logins and passwords
Credentials and identifying information
Documents and emails
Internal communications
Browsing history
Photographs
Instant messages
Anything that they can use



Access to the greater
state of Michigan network and
other valuable information



48,269 views | Aug 19, 2019, 04:09am

Texas Cyber Attack Has Taken 23 Government Agencies Offline

Davey Winder Senior Contributor @

Cybersecurity

I report and analyse breaking cybersecurity and privacy stories

Louisiana Declares State Emergency After Malware Attack

The malware attacks, which were directed at school systems, affected phones and computers in at least three different communities, and the threat is still active, according to the Governor's Office.

BY LUCAS ROPEK / JULY 25, 2019

A Cyberattack Hobbles Atlanta, and Security Experts Shudder

Municipal employees in Atlanta were able to use computers again on Tuesday as the city worked to recover from a cyberattack, but some digital services for residents remained unavailable. Credit...Da

By Alan Blinder and Nicole Perloth

March 27, 2018, NY Times

After an Initial Ransomware Attack, Colorado DOT Gets Hit Again

The original attack in late February has morphed and re-infected a portion of the transportation agency's remaining computers, according to officials.

BY TAMARA CHUANG, THE DENVER POST / MARCH 2, 2018



- Cyber espionage is growing
 - Russia **9.4 billion** actions (2019)
 - China **2 billion** actions (2019)
- DTMB security personnel combats cybersecurity incidents every day including:
 - Digital blackmail attempts
 - Phishing incidents
 - Social engineering



- Request: **\$20 million GF, one-time**
- Purpose: A one-time infusion of funds would be used to better protect the state's networks and digital infrastructure as follows:
 - Threat modeling, readiness, and vulnerability assessments
 - Emergency response preparation
 - Cloud security
 - Enhanced analytical tools and capabilities
 - Increased risk mitigation



- Request: **\$30 million GF, one-time**
- Purpose: Address Deferred Facility Maintenance Issues
 - Emergency repair (unplanned) costs are typically **25-35%** higher than normal (planned) rates
 - A well maintained, efficient building generally requires **20-50%** less in energy to operate
- Protect health and safety of residents and staff



- Request: **\$5 million GF, one-time**
- Purpose: Create a self-sustaining fund for re-investment of energy savings
- Provide up-front financing for energy efficiency and renewable energy projects at state facilities
- Repayment would be generated from future energy costs savings to maintain and improve facilities

- Office of Retirement Services legacy customer relationship management system replacement: **\$2.1 million restricted funds, one-time and \$400,000 restricted funds, ongoing**
- Office of Retirement Services financial reporting and compliance: **\$400,000 restricted fund, ongoing**
- Procurement MiDEAL and risk management: **\$585,000 restricted fund, ongoing**
- Venture Michigan Fund voucher purchase: **\$56.3 million GF, ongoing**
(Supplemental letter #2020-1 includes **\$19.1 million**)

- **\$35 million base budget investment, ongoing**
- **Projects:**
 - MiWaters consolidation and enhancements of statewide water IT systems - **\$9 million**
 - Michigan Liquor Control Commission sales, inventory, and purchasing system replacement - **\$5.8 million**
 - Individual Income Tax and Garnishment and Levies systems replacement - **\$2.5 million**
 - State Treasury Accounts Receivable (STAR) and Michigan Accounts Receivable (MAR) Collections systems replacement - **\$15 million**
 - Cybersecurity - **\$2 million**
 - Enterprise project assurance and portfolio management - **\$647,500**

Other Adjustments

- D.J. Jacobetti Home for Veterans accounting service center
 - **\$710,000** IDG funds
 - **5.0 FTEs** transfer
- Administrative services
 - Reduction of **\$500,000 GF**
- Business support services fund shift
 - **Reduces \$750,000 GF** and replaces with restricted funds
- Paid parental leave policy
 - **\$10 million GF**
- IT baseline adjustments
 - **\$59.4 million** interdepartmental grant (IDG) funds

THANK YOU