FY 2023 Budget

Michelle Lange, DTMB Acting Director

House Appropriations Subcommittee on General Government

March 8, 2022

Mission, Vision, and Values

MISSION
Optimize enterprise-wide business, financial, and technical services to enable a government that works.

VISION
Help drive efficiency.
Connect customers to services.
Deliver solutions.

VALUES
Engagement – Make a difference. Be a positive influence. Embrace diversity and inclusion.
Integrity – Do the right thing. Always do what is right.
Customer Service – Go beyond. Understand your customer. Be understood. Deliver solutions.
Excellence – Raise the bar. Always do your best. Take pride in your role.
Teamwork – Inspire each other. Collaborate to meet our goals.

DTMB Overview

INFORMATION TECHNOLOGY

- Agency services
- Software and application development
- Infrastructure, telecommunications, and network services
- Cybersecurity and infrastructure protection
- Enterprise architecture and technology innovations
- Desktop and end-user support
- IT project management
- IT shared services
- Data analytics
- Geographic information systems
- Michigan Public Safety Communications System

MANAGEMENT AND BUDGET

- Procurement services
- Building operations, real estate, and leasing
- Fleet, mail, print, delivery, warehousing, records management, and surplus services
- Multi-agency financial services
- Facility design, construction, and maintenance
- Labor Market Information and Strategic Initiatives

AGENCIES AND COMMISSIONS

- State Budget Office
- Office of Children's Ombudsman
- Office of the State Employer
- Civil Service Commission

DTMB Customers & Statistics
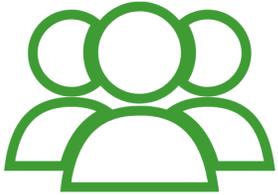
State agencies / residents

Businesses

Local governments

Universities

$1.7B budget

1,713 business applications

43 managed facilities

2,800 employees

63,424 desktop, laptop, and tablet computers

13,124 vehicles in state fleet

46,882 SOM employees

19 SOM departments

20,271 managed mobile devices

5 retirement systems that serve one out of every nine Michigan households

7,327 procurement contracts with an annual spend of **$3.4B**

131,373 MPSCS radios

DTMB 4
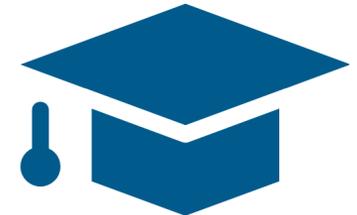
DTMB 2021: A Year in Review

DTMB received Silver Certification status as a veteran-friendly employer by the Michigan Veterans Affairs Agency.

The Cybersecurity team launched Michigan Secure, a free mobile application, to protect Michigan residents from cybercriminals while using their phones and other mobile devices.

DTMB issued $28M in grants to extend broadband access to over 22,200 households, businesses, and community organizations in unserved areas in Michigan.

We hired Michigan's first digital information accessibility coordinator to make state government websites and applications more accessible to all Michiganders.

DTMB 2021: A Year in Review

The department hired its first full-time equity and inclusion officer as part of its commitment to providing an equitable organizational culture.

The Michigan Public Safety Communication System added 35 towers across 11 counties, improving the access Michigan public safety professionals have to life-saving communication.

The Logistics and Operations Support division raised nearly $5M selling surplus items through online auctions.

DTMB 2021: Awards & Recognitions

Center for Digital Government's Government Experience Awards:

- 1st place – for enhancing online government services and improving overall user experience for Michiganders by utilizing mobile applications, websites, and social media

StateScoop 50 Awards:

- State IT Innovation of the Year – Michigan Secure App

- GoldenGov: State Executive of the Year – Brom Stibitz, DTMB director & Michigan CIO

- State Cybersecurity Leaders of the Year – Laura Clark, Michigan chief security officer

CENTER FOR DIGITAL GOVERNMENT
GOVX
GOVERNMENT EXPERIENCE AWARDS
GOVTECH.COM/CDG/GOVERNMENT-EXPERIENCE
2021 OVERALL WINNER

STATESCOOP
50
AWARDS
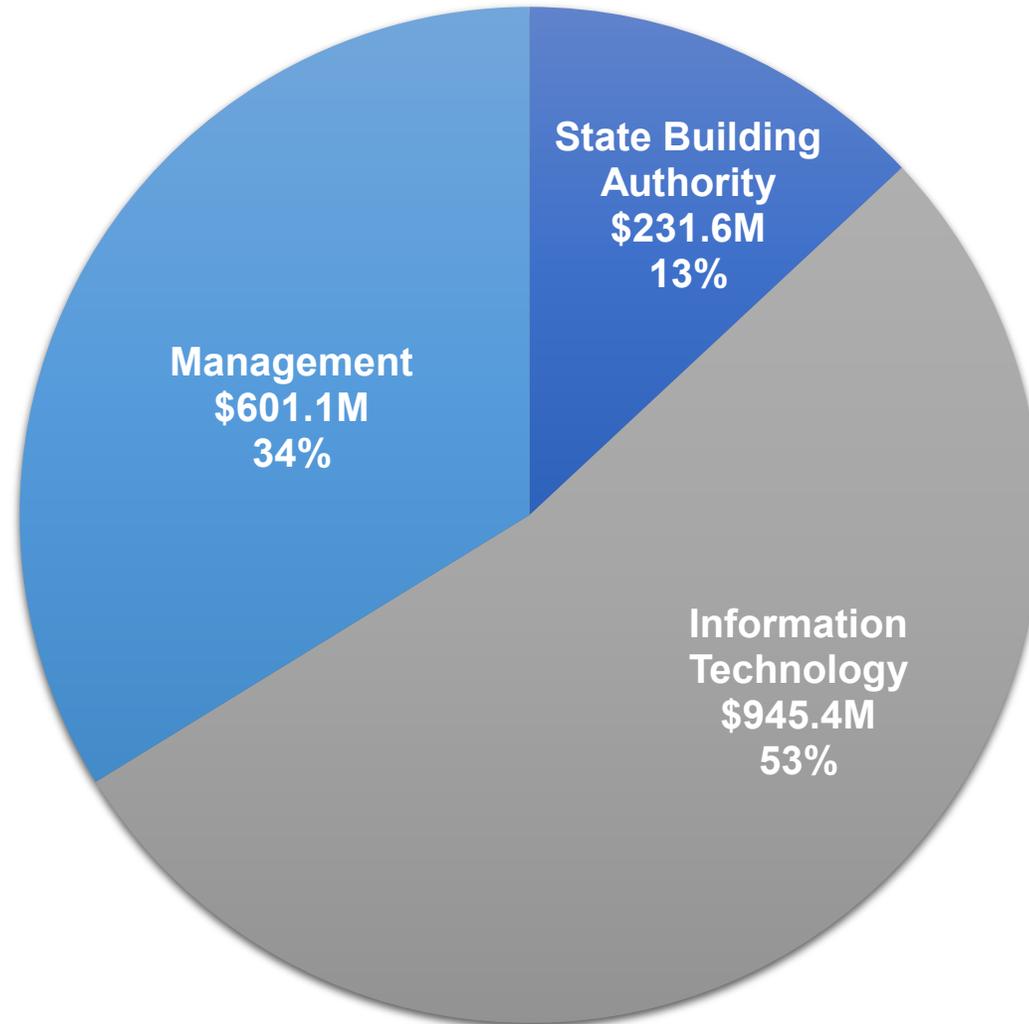
DTMB 2021: Awards & Recognitions

Communications Office awarded local and national awards by the Public Relations Society of America

Labor Market Information and Strategic Initiatives awarded the Research Award for projects supporting diversity, equity, and inclusion
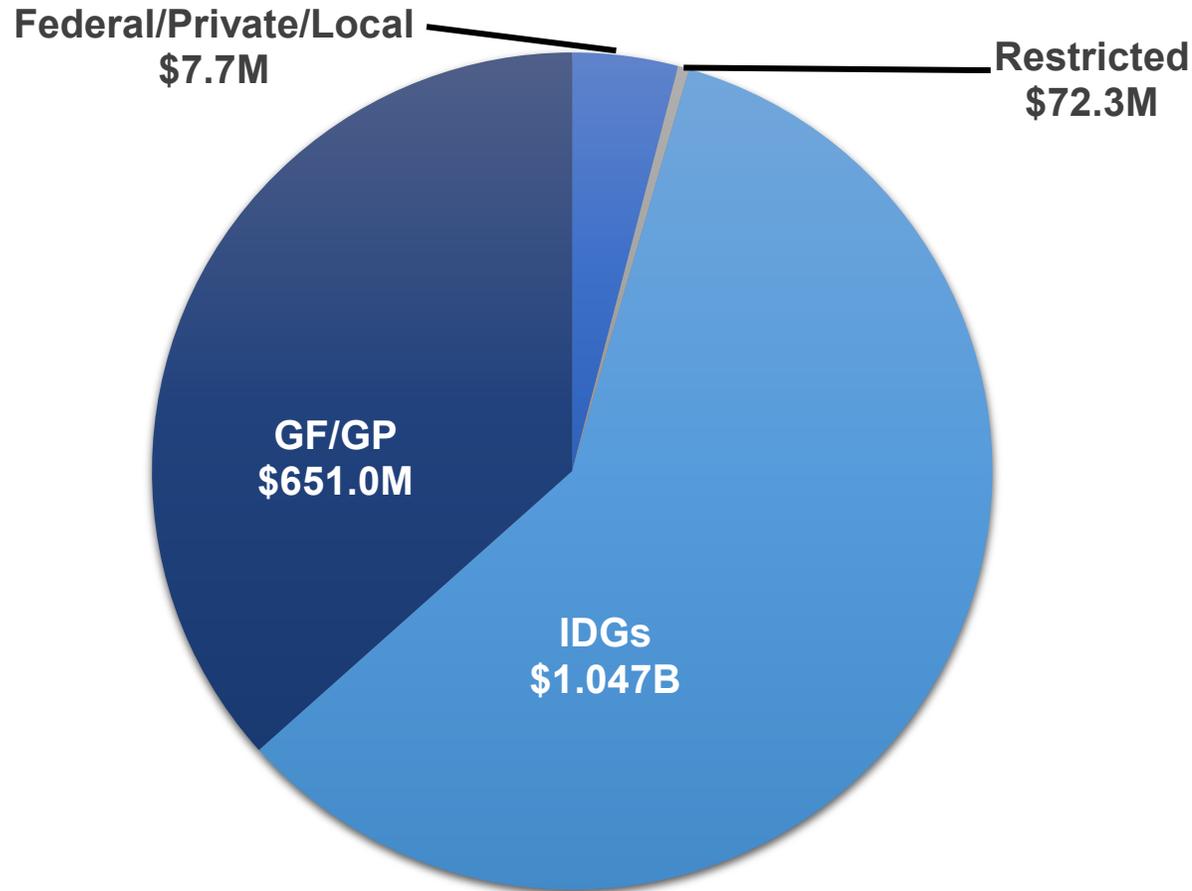

Office of Continuous Improvement received the Transformation in State Government award from the National Association of State Chief Administrators
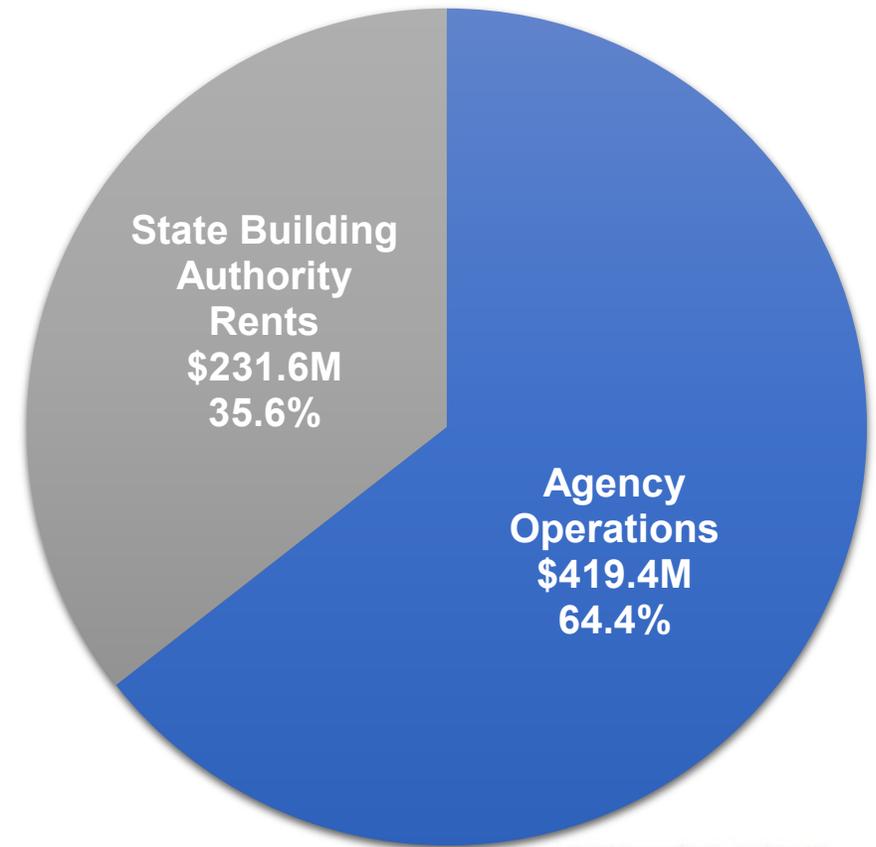
DTMB FY 2023 Funding Breakdown

State Building Authority
$231.6M
13%

Management
$601.1M
34%

Information Technology
$945.4M
53%

DTMB FY 2023 Funding Breakdown

Fund Sourcing by Source FY 2023

Federal/Private/Local
$7.7M

Restricted
$72.3M

GF/GP
$651.0M

IDGs
$1.047B

GF/GP FY 2023

State Building
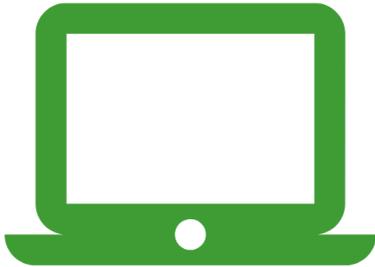Authority
Rents
$231.6M
35.6%

Agency
Operations
$419.4M
64.4%

FY 2023 Major Budget Requests

Cybersecurity Operations
$3.1M GF/GP and 19 FTEs

MILogin Operations
$5M GF/GP and 8.0 FTEs

Longitudinal Data Analytics Service Center
$2M GF/GP

Attacks & Breaches Continue to Grow

SOLARWINDS: HOW RUSSIAN SPIES HACKED THE JUSTICE, STATE, TREASURY, ENERGY AND COMMERCE DEPARTMENTS

Bill Whitaker reports on how Russian spies used a popular piece of software to unleash a virus that spread to 18,000 government and private computer networks.

2021
FEB

STATESCOOP

STATE

What Colorado learned from treating a cyberattack like a disaster Written by Benjamin Freed

MAY 15, 2019 | STATESCOOP

Nextgov   CYBERSECURITY   EMERGING TECH   ARTIFICIAL INTELLIGENCE

Hack of Florida Water Treatment Plant Should Be a Wake-Up Call, Experts Say

MORNING SUN

Mt. Pleasant city government subject to ransomware attack

By Eric Baerren ebaerren@medianewsgroup.com; @ebaerren on Twitter   Oct 12, 2020   Comments

- Government operations are a growing target
- **$6T** – average annual global cost of cybercrime
- **$4.24M** – average data breach cost in 2021
  - Up 10% from 2020
  - Hidden costs, such as customer loss, revenue loss, or remedy solutions not included
- **37% of global organizations** claimed ransomware attack in 2021 – most significant in U.S. were:
  - Oil pipeline – Colonial Pipeline
  - Water treatment plant – Florida
  - Meat-packing facilities – JBS
  - Public transit system – New York subway
  - Major payroll system – Kronos
  - IT security monitoring tools – Solar Winds/Microsoft Exchange
  - Does not include the healthcare systems, schools, local governments, businesses, and individuals attacked

Cybersecurity Metrics

1650

SOM applications protected each day

90+ million

Potentially malicious intrusions blocked each day

400+ malicious links and

70+ malicious files

Detected and blocked each month

115,192

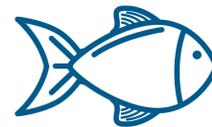Pieces of malware detected and blocked each day

3.2 billion

Security events processed per day

2,200+

Emails reported and investigated each month

532,000+

Phishing attempts each month

All managed with 82.0 FTEs

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Cybersecurity Operations
$3.1M GF/GP and 19.0 FTEs

- Staff augmentation in three critical areas
  - Governance, Risk and Compliance Program – 9.0 FTEs
    - Perform critical security accreditation and risk assessments of all IT systems across the enterprise.
  - Security Operations – 8.0 FTEs
    - The front-line program for monitoring critical IT systems for threats.
  - Security Architecture – 2.0 FTEs
    - Ensuring legacy system replacements or upgrades are designed with adequate security protocols.

MILogin

Michigan's single sign-on and identity management solution highlights

200,000
Logins per day
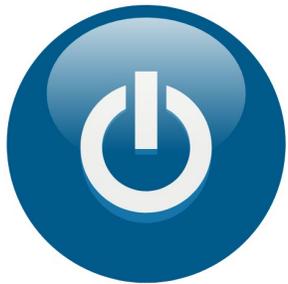
3,700
Registrations per day

4,300
ID proofing transactions per day
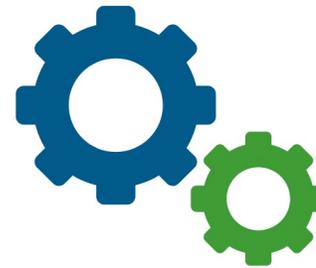
3,200
Multi-factor authentication transactions daily

1,400
User ID self-reactivations daily

18,300
Self password resets daily

40
New application onboarded annually

99.9%
System uptime

MILogin Growth: 2014 - 2021

	2014	2015	2016	2017	2018	2019	2020	2021
Users	2,500	4,200	600,000	1,000,000	4,000,000	5,000,000	7,000,000	8,400,000
Applications	2	7	140	155	227	240	280	300

Users   Applications
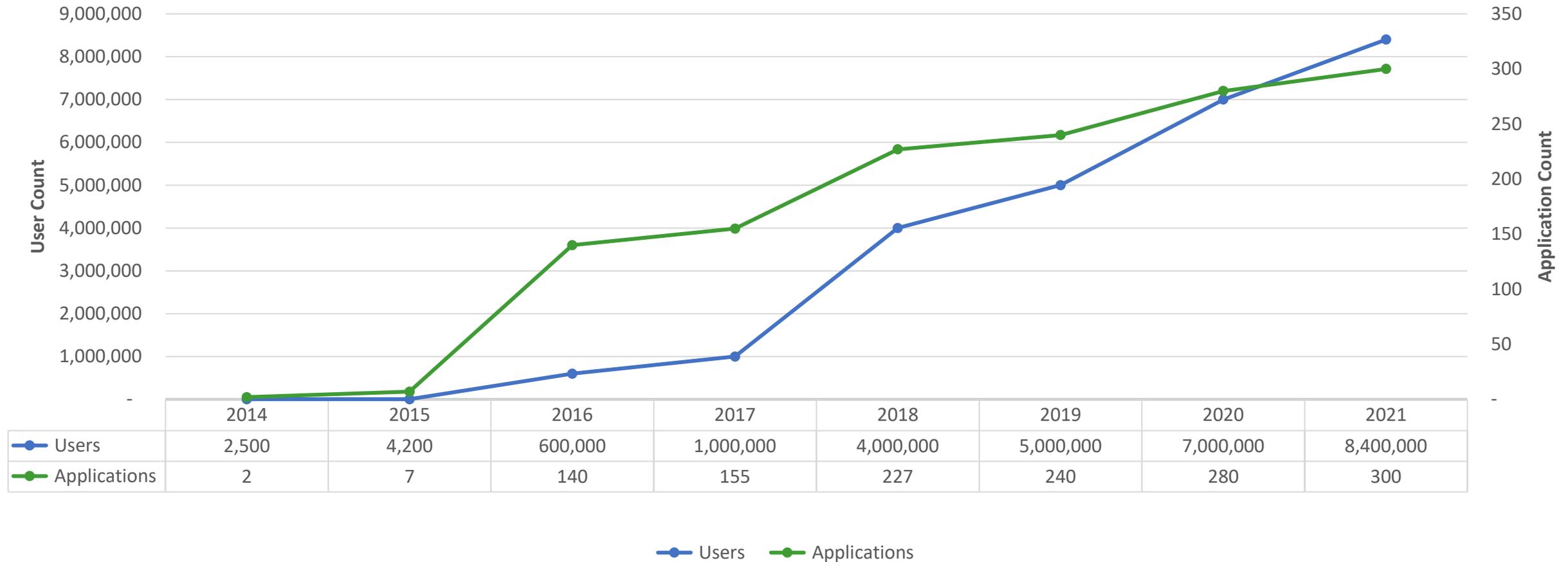
MILogin Operations
$5M GF/GP and 8.0 FTEs
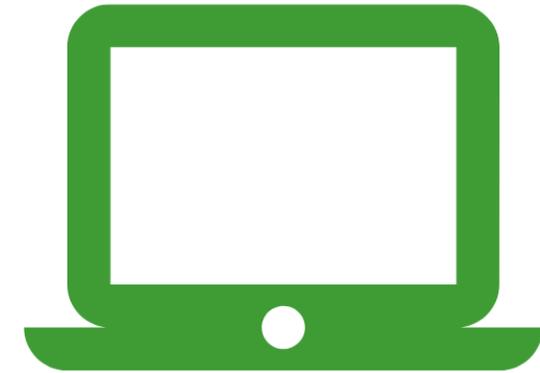
- Operations and Development – 8.0 FTEs
  - Move current funding model from project based to core operational
  - Increase current staffing to 14.0 FTEs
- Maintenance Operations and Consulting
 - Replace exhausted one-time or project funds with permanent source

Longitudinal Data Analytics Service Center
$2M GF/GP

- Continuation of FY 2022 investment
- Creation of a central data center for analytics, research, and information sharing between state agencies
- Funding will support the build, on-going staffing, and operation of the center

FY 2023 Additional Budget Requests
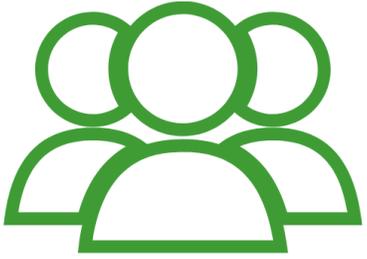
Procurement and Financial Services

- $1.3M and 9.0 FTEs

- $872,100 restricted and $473,300 GF/GP

- Support for more complex IT contracts

State building usage optimization

- $1.0M GF/GP

- One-time work project to support multi-year project

IT Investment Fund (ITIF)

- $115M GF/GP one-time

- Combined total of $150M in funding to support agency legacy system replacement projects

FY 2023 Additional Budget Requests

Special maintenance

- $70M GF/GP one-time
- Support general maintenance in state buildings

State fleet electric vehicle transition

- $10M GF/GP one-time
- First phase in the transition of the state fleet to electric vehicles

Energy Efficiency Revolving Fund

- $5M GF/GP one-time
- Second year deposit to support smaller projects in state-owned facilities

Michigan Infrastructure Office

- $5M GF/GP and 5.0 FTEs
- New office to coordinate federal infrastructure funding

Questions

Bree Anderson

DTMB Legislative Liaison

andersonb24@Michigan.gov

ITIF FY 2023 Project Detail

Department	Project Description	Amount
Civil Rights	**Civil Rights Information System (CRIS) Enhancements:** Provides for enhancements such as new COVID complaint categories, automated calculation of damages, invoice and receipt processing, and records retention and disposal.	$300,000
MDHHS	**Vital Statistics Migration to Vital Event Registration Application (VERA):** Enhance existing VERA system by adding electronic death, marriage, and divorce records, thus integrating them with birth records and the enterprise Master Person Index.	$3.5M
LEO	**Unemployment Insurance System Replacement:** Provides for the replacement of the Unemployment Insurance Agency's Michigan Integrated Data Automated System (MiDAS) and other related systems that support the collection of unemployment taxes from employers and payments of unemployment insurance benefits to eligible claimants.	$75M
LARA	**Bureau of Construction Codes Licensing, Inspection and Public Portal Upgrades:** Consolidates multiple licensing applications into one solution providing new management tools, including licensing workflow, billing functions, and a public portal for licensees.	$3M
LARA	**Bureau of Fire Services (BFS) Storage Tanks Registration and Regulation IT Upgrade:** Upgrades to existing system providing inventory and regulatory support for above ground and underground storage tank programs by adding GIS functionality, dashboard metrics, ad-hoc reporting capabilities, and improving the public access portal.	$1.054M
LARA	**Bureau of Financial and Administrative Services (FAS) Central Cashiering Modernization:** Modernization of central cashiering applications will no longer be supported in 2025. Improvements include faster transaction processing, archiving capabilities, automated SIGMA integrations and various internal bureau application interfaces with associated metric dashboards to monitor processing times.	$2.375M
DTMB enterprise	**Contact Center Technology Upgrade:** Migrate two large call centers (Treasury, 1,900-5,000 per day & Civil Service, 800 per day) currently on end-life technology to Federal Risk and Authorization Management Program (FedRAMP) cloud platforms offering enhanced predictive analytics and security protections that meet federal standards.	$8.9M

ITIF FY 2023 Project Detail Continued

Department	Project Description	Amount
DTMB enterprise	**Zero Trust Security Model:** Security enhancements to expand toolset for utilization of cloud services, provide next generation firewall upgrades, expanded virtual private network (VPN) and multi-factor authentication for data and system security, and upgrade immutable storage and backup systems providing improved ransomware protections.	$14.8M
DTMB enterprise	**MILogin Security Enhancements:** Includes fraud analytics using AI models to prevent bot access and develop user- based risk scoring, adds multi-factor authentication for external users, extends fraud analytics to agency applications, adds various ID verification tools to reduce duplication, and adds capabilities with elastic architecture to scale on demand to user services.	$27.050M
DTMB enterprise	**Facilities and Real Estate Management (FREM):** Enhancements to existing FREM system to add asset management capabilities including design and construction, work orders, space allocations, etc.	$875,000
Treasury	**Business Tax Systems Data Archiving Plan:** Procure systems process data archiving and retention solution for various business taxes (Sales, Use, and Withholding (SUW), Corporate Income Tax (CIT), Marihuana Retailer Excise (MRE), Michigan Business Tax (MBT), Essential Services Assessment (ESA), etc.).	$4.215M
Treasury	**ELITES System Modernization:** Upgrades to the Electronic Local Government Information and Taxation Evaluation System (ELITES) system supporting local governments, including updating to new software versions, ADA capability, direct local PA 202 reporting, data integrity review, email automation, reporting, and tax exemption management, etc., for over 7,600 local units who file over 15 reports with Treasury annually.	$1.958M
Treasury & Lottery	**Charitable Gaming Licensing, Regulation and Supplier Management:** Modernize to cloud interface and streamline licensing and inspection processes for over 9,000 charitable gaming licensees.	$2.168M
	TOTAL: $145,255,000	
	The ITIF recommendation includes **$2M allocated off-the-top for cybersecurity and $2.775M reserved for project quality assurance.**	