

Michigan Department of Treasury Work Projects

Work Project	Project First Year	* Estimated Work Project Amount
<p>12th District Court Security Summary of Implementation Plan</p> <p>Grant funding will be distributed in accordance with the requirements included in 2024 Public Act 121, Section 990 and Section 226.</p> <p>The Grant Agreement was signed on April 28, 2025, and the grant was awarded to the 12th District Court (Jackson County). The program is a reimbursement-based grant program. The 12th District Court is in the process of submitting reimbursement requests, along with supporting expenditure documentation, to Treasury. Treasury will review the reimbursement requests and once approved will issue payments to the 12th District Court/Jackson County. Treasury will incur expenditures as the reimbursement requests are processed. The grant end date is September 30, 2029.</p>	2025	\$961,100
<p>38th District Court Project Summary of Implementation Plan</p> <p>Grant funding will be distributed in accordance with the requirements included in 2024 Public Act 121, Section 991 and Section 226.</p> <p>The 38th District Court Project grant program is a reimbursement-based grant. Treasury is in the process of issuing the grant award. At this time, the Grant Agreement has not been signed. Once the Grant Agreement is finalized (signed), the 38th District Court can start submitting reimbursement requests, along with supporting expenditure documentation, to Treasury. Treasury will review the reimbursement requests and once approved will issue payments to the 38th District Court/Eastpointe City. Treasury will incur expenditures as reimbursement requests are processed. The grant end date is September 30, 2029.</p>	2025	\$1,000,000
<p>Additional Local Prosecutor Support Summary of Implementation Plan</p> <p>Grant funding will be distributed in accordance with the requirements included in 2024 Public Act 121, Section 992 and Section 226.</p> <p>Once the Grant Agreement is finalized (signed), the Eaton County Office of County Prosecutor can start submitting reimbursement requests, along with expenditure documentation, to Treasury. Treasury will review the reimbursement requests and once approved will issue payments to the Eaton County Office of County Prosecutor. Treasury will incur expenditures as reimbursement requests are processed. The grant end date is September 30, 2029.</p>	2025	\$250,000
<p>Assistance for Communities and Schools in Potential Distress</p> <p>As project commitments for local assistance from FY2021 work project funds are fully committed, agreements have been entered with local communities for projects utilizing FY2022 funds. The FY2022 work project funds can be quickly utilized to continue this assistance. The Bureau has a \$3 million-dollar work project utilizing FY2022 lapsed authority to continue efforts to identify and assist communities and school districts facing potential distress.</p> <p>By addressing needs in communities with timely assistance, further distress can be prevented while moving communities and school districts in a positive direction. This continues efforts to provide consultation from management experts, accounting firms, planning assistance to help with critical development projects, and training for local staff and elected leadership. The funds will be used to provide resources for financial planning, management efficiencies, and economic development to keep communities moving away from distress and toward long-term solvency.</p>	2022	\$2,543,800

Assistance for Communities and Schools in Potential Distress

2023

\$2,879,200

As project commitments for local assistance from FY2022 funds are committed, agreements have been entered with local communities for projects utilizing FY2023 funds. The Bureau recently declared and added 14 school districts to the early warning oversight program, the FY2023 work project funds can be quickly utilized to continue this assistance. The Bureau has a \$2.8 million-dollar work project utilizing FY2023 lapsed authority to continue efforts to identify and assist communities and school districts facing potential distress.

By addressing needs in communities with timely assistance, further distress can be prevented while moving communities and school districts in a positive direction. This continues efforts to provide consultation from management experts, accounting firms, planning assistance to help with critical development projects, and training for local staff and elected leadership. The funds will be used to provide resources for financial planning, management efficiencies, and economic development to keep communities moving away from distress and toward long-term solvency.

The Bureau will continue to utilize funding from the Assistance for Communities and Schools in Potential Distress work projects for this purpose. The implementation plan remains the same.

Assistance for Communities and Schools in Potential Distress

2024

\$3,298,900

As project commitments for local assistance from FY 20 work project funds are currently 82% expended, the FY 21 and FY 22 work projects funds are fully committed, and agreements have been entered with local communities for projects utilizing FY 23 funds. The FY 24 work project funds can be quickly utilized to continue this assistance. The Bureau has a \$2.5 million-dollar work project utilizing FY 24 lapsed authority to continue efforts to identify and assist communities and school districts facing potential distress. The Bureau has recently declared and added 14 school districts to the early warning oversight as the Bureau is seeing an increasing and alarming uptick in the true financial conditions of local schools. The Bureau is also seeing a record number of local communities that are noncompliant with regulatory financial reporting and audit. The Bureau will continue to analyze the fiscal health of school districts and communities therefore addressing needs in communities with timely assistance, further distress can be prevented while moving communities and school districts in a positive direction. This continues efforts to provide consultation from management experts, accounting firms, planning assistance to help with critical development projects, and training for local staff and elected leadership. The funds will be used to provide resources for financial planning, management efficiencies, and economic development to keep communities moving away from distress and toward long-term solvency.

In order to ensure resources for future efforts to assist communities, the Bureau proposes to implement a work project utilizing FY24 lapsing authority on the SGPTL Appropriation 66600 line to continue efforts to identify and assist communities and school districts facing potential distress. The Bureau reviews indicators for local communities and schools that provide an early warning for potential problems such as failure to file required regulatory documents, significant reductions in fund balances, or communities that were formerly under PA 436 oversight. These early indicators are often a sign of larger problems. After communities are identified, the Bureau engages with the local communities to build a trusted partner relationship to identify issues and potential solutions. The activities funded are intended to provide early assistance to avoid issues becoming critical and threatening insolvency or instability with the local government or school. Work project funds are used to provide resources to communities and schools to address management issues, project planning, training for staff and elected officials, and hiring expertise to address financial and records issue. As the Bureau continues to address fiscal matters identified above, FY24 work project funds will also support the need for technical assistance. Examples of potential projects these funds could support include:

- Operational Support: Finance, Accounting, Planning and Analysis
 - o Finance and Accounting assistance
 - o Studies of revenue collection processes and procedures
 - o Utility rate studies
 - o Consolidation studies
 - o Grant management assistance
 - o Technical assistance for federal reporting
 - o Technical assistance for project development
 - o Strategic financial planning
- Operational Support: Professional Development, Organizational, Managerial and Strategic Planning
 - o Infrastructure analysis and planning
 - o Management and technical assistance
 - o Ordinance codification
 - o Personnel Policy Manual updates
 - o Training assistance
 - o BS&A conversion
- Infrastructure Planning:
 - Economic Development: Housing, Planning, Zoning Analysis
 - o Brownfield redevelopment efforts
 - o Corridor studies and Corridor Authority Expansion/Development
 - o Downtown Development plans
 - o Housing studies
 - o Marketing efforts for government owned parcels which can lead to future development efforts and return properties to the tax roll
 - o Master Plan & Sub-Area plans.

<p>Business and Special Taxes System Replacement</p> <p>Summary of Implementation Plan</p> <p>The RFP seeks a modernized COTS solution to replace a number of tax administration systems providing end-to-end tax administration services (compliance, processing, collections), and to achieve:</p> <ul style="list-style-type: none"> -Alignment with Treasury's vision and goal of leveraging technology solutions to implement accurate, secure and efficient processes -Enhancement of customer experience and satisfaction -Improved State employee user experience by improving functionality, reducing silos, and enhancing reporting and data analytics <p>This solution will be designed specifically for tax administration and provide the necessary functionality out of the box requiring limited configuration or customization.</p> <p>Depending on the RFP results, Treasury will work with the chosen vendor and DTMB to implement the solution in upcoming years. The exact length and project plan will depend on the vendor as well as the availability of funds, not to exceed 5 years.</p>	<p>2025</p>	<p>\$3,325,000</p>
<p>Electronic Local Government Information and Taxation Evaluation System Update for Workforce Housing</p> <p>Summary of Implementation Plan</p> <p>This project is being completed using a mix of Department of Technology, Management & Budget and vendor resources. At the same time that these workforce housing public acts were enacted, Treasury was already planning a broader update to the Electronic Local Government Information and Taxation Evaluation System to improve overall functionality and the end user experience. The department will be incorporating all of these required changes and improvements into one project.</p> <p>This project is currently delayed; we are still evaluating path to get the project status to green with DTMB. Request to leave the funding available to continue to support the project. The initial new budget is estimated to be at least \$6 million; however, vendor responses will better inform the implementation and ongoing maintenance costs. Upon vendor award, the project budget will be updated. Additional costs are attempted to be funded via a new work project request. This would remain in place to supplement that request as well.</p> <p>Depending on the outcome of the RFP, Treasury will work with a vendor to deliver an upgraded system. It is thought that a vendor led solution will take 12-18 months to complete.</p>	<p>2023</p>	<p>\$850,000</p>
<p>Federal and State Legislative Changes</p> <p>Summary of Implementation Plan</p> <p>Examples of recent tax changes and estimated information technology changes needed for implementation:</p> <p>Flow Through Entity Tax: \$3.4 million (TP-510)</p> <p>Partnership Tax: \$2.9 million (TP-499)</p> <p>Research and Development Tax Credit: \$1.8 million estimated. This project remains active.</p> <p>The recently enacted transportation revenue package also contains several adjustments to various taxes and new taxes that have cost implications for various tax IT systems.</p> <p>These work project funds will help support in whole, or part, these necessary technology implementations.</p>	<p>2025</p>	<p>\$2,500,300</p>

Financially Distressed Cities, Villages, and Townships Grant Program Summary of Implementation Plan	2024	\$12,800
<p>Awarded funds will be distributed in accordance with the requirements included in 2023 Public Act 119, Section 956.</p> <p>Applications for FY 2024 funding were made available October 9, 2023, with a due date of December 8, 2023. Treasury received 58 applications from 25 municipalities with requested funding totaling \$17.7 million. Grant awards were announced on April 9, 2024, to 13 municipalities. All FY 24 grant funds have been awarded. Once an award is finalized, a municipality can request funding. However, the grants are reimbursement based and Treasury will incur expenditures as reimbursement requests are received from the grantees.</p>		
Financially Distressed Cities, Villages, or Townships Grant Program Summary of Implementation Plan	2023	\$407,100
<p>Awarded funds will be distributed in accordance with the requirements included in 2022 Public Act 166, Section 956.</p> <p>Applications for FY 2023 funding were made available January 20, 2023, with a due date of March 31, 2023. Treasury received 40 applications from municipalities with requested funding totaling \$13.9 million. Grant awards were announced on June 23, 2023, to 15 municipalities. All FY 23 grant funds have been awarded. The grants are reimbursement based and Treasury will incur expenditures as reimbursement requests are received from the grantees. Grantees have five years to complete the projects for which they received a funding award.</p> <p>As of July 28, 2025, there is an encumbrance balance remaining of \$407,079, representing one unique grant project from the FY 2023 award year and one unique grant project from the FY 2024 award year. Grant projects funded by the work project have until September 30, 2027, to incur expenditures related to the approved projects. Once expenditures are incurred, grantees submit reimbursement requests to Treasury for review and approval. Once approved, Treasury reimburses grantees eligible grant expenditures.</p>		
Financially Distressed Cities, Villages, or Townships Grant Program Summary of Implementation Plan	2025	\$2,500,000
<p>Awarded funds will be distributed in accordance with the requirements included in 2024 Public Act 121, Section 956.</p> <p>Applications for FY 2025 funding were made available November 15, 2024, with a due date of January 17, 2025. Treasury received 52 applications from 23 municipalities with requested funding totaling \$16.1 million. Grant awards were announced on April 29, 2025, to 13 municipalities. All FY 2025 grant funds have been awarded. The FDCVT grant program is a reimbursement-based grant program. Once an award is finalized, a municipality can submit reimbursement requests, along with supporting expenditure documentation, to Treasury. Treasury will review the reimbursement requests and once approved will issue payments to the municipality. Treasury will incur expenditures as reimbursement requests are processed.</p>		
Financially Distressed Cities, Villages, or Townships Grant Program Summary of Implementation Plan	2022	\$152,900
<p>Awarded funds will be distributed in accordance with the requirements included in Public Act 87 of 2021, Section 956.</p> <p>Applications for FY2022 funding were made available November 5, 2021, with a due date of January 18, 2022. Treasury received 42 applications from municipalities with requested funding totaling \$22.3 million. Grant awards were announced on May 9, 2022, to 11 municipalities. All FY2022 grant funds have been awarded. The grants are reimbursement based and Treasury will incur expenditures as reimbursement requests are received from the grantees. Grantees have five years to complete the projects for which they received a grant award.</p> <p>As of July 28, 2025, there is an encumbrance balance remaining of \$151,877, representing one unique grant project from the FY 2023 award year. Grant projects funded by the work project have until September 30, 2026, to incur expenditures related to the approved project. Once expenditures are incurred, grantees submit reimbursement requests to Treasury for review and approval. Once approved, Treasury reimburses grantees eligible grant expenditures.</p>		

Fire Gear Equipment Grants Summary of Implementation Plan	2022	\$2,272,200
<p>The Bureau will continue to support fire fighters with the remaining balance. The funding is designated for communities throughout the state. The funds are being used to support local efforts to assist fire departments that are predominately on-call, part-time, or volunteer with purchasing fire gear for fire fighters. Attached implementation plan provides more detail and timeline.</p> <p>In accordance with Public Act 166 of 2022, Article 15, Section 801, Treasury will distribute the funding through a competitive grant process to local units of government that have fire departments that are predominately on-call, part-time, or volunteer based for the purchase of fire gear equipment. As prescribed, grants will not exceed \$10,000.00.</p> <p>The project will be accomplished by utilizing state employees, contracts with vendors, or local partners.</p>		
First Responder Recruitment and Training Grants Summary of Implementation Plan	2022	\$319,000
<p>The Bureau utilizes work project funds to continue support to first responders. The remaining balance is designated for communities throughout the state. The funds are being used to support local efforts to expand recruitment, improve training, and provide additional professional development and support to first responders.</p>		
Grants for Dam Projects Summary of Implementation Plan	2022	\$15,475,300
<p>The Bureau has a work project utilizing FY 2022 funds to continue disaster relief funding efforts. The remaining balance of \$28,339,368.56, with a SIGMA appropriation of TW4600022, is designated for communities throughout the state. The funds are being used to cover costs to local units of government for restoration of the four lakes, including an engineering feasibility study or engineering design, any flood or environment, studies required, dam construction, site readiness, and construction to restore lake levels.</p>		
High Crime Community Support Summary of Implementation Plan	2024	\$8,204,800
<p>Section 991 of 2023 P.A. 119 stipulates which county prosecuting offices were eligible for the grant program. Treasury is in the process of issuing grant awards. All FY 2024 grant funds have been identified. Once an award is finalized, Treasury will issue the first advance payment to the municipality. The municipality will need to submit expenditure documentation justifying the first advance prior to Treasury issuing any additional grant funding.</p> <p>As of July 28, 2025, the whole balance of \$8,204,736 is encumbered. As expenditure substantiation is submitted by the grantees, Treasury will review and approve the use of funding. Once a grantees first advance has been fully earned, the second and final advance will be issued to the grantee. One grantee has received a second (final) advance. Grantees will provide expenditure substantiation to Treasury for the second advance for Treasury's approval.</p>		
Implementation of the Roll Back of the Retirement Tax Summary of Implementation Plan	2023	\$382,900
<p>Treasury estimates the need for 2 FTE and \$225,000 to manage additional correspondence and phone calls in the years in which changes take place. The final versions of the bill included a phase-in approach and anticipate utilizing additional staffing over that period which extends to tax year 2026/calendar year 2027.</p> <p>This work project is ongoing and will be completed during fiscal year 2027. The purpose of this work project is to manage additional correspondence and phone calls in the years in which tax changes take place. Once all phases of the legislation occur and the area returns to normal production volumes there will be no further funds needed.</p>		

Individual Income Tax and Garnishments and Levies Legacy System Replacement Summary of Implementation Plan	2022	\$10,379,200
<p>The IIT, Garnishment and Levy legacy systems are in need of replacement due to their outdated software platform and lack of COBAL programming support for the current system. Treasury solicited a vendor solution to incorporate these functions as part of a total software system for Individual Income Tax, Garnishments and Levies. This effort may also include the State Treasury Accounts Receivable (STAR) system and the Michigan Accounts Receivable Collection System (MARCS) as well. Moving to a new financial solution will significantly reduce costs on the maintenance of system software and hardware in the future. Total cost to replace the system is estimated at \$86 million, with project support anticipated to be derived from multiple sources including this and prior year work project resources.</p> <p>The Department entered into a contract with Deloitte to begin the MiTreas Modernization (MTM) project during FY 2021. The project was awarded about \$40 million in ITIF funds, and Treasury has used existing resources via work projects over a number of fiscal years to pay for this project. We continue to work to save existing resources within our operating budget through legacy system retirement for this project.</p> <p>MTM was reduced in scope to cover only the Collections (STAR and MARCS) replacements. There will likely be some post-go live work over the course of the next several months to identify and remediate any issues with the system.</p> <p>In addition Treasury issued an RFP to replace the IIT system as a separate project. That system still relies on the Unisys mainframe that is going end of life. We are currently in negotiations phase of the JEC. After an award has been made a formal project plan for this project can be shared. The work project will be retained to support that project.</p> <p>This work project is supporting TP 617- Individual Income Tax Modernization (MiIMITS)- Treasury entered into an agreement with FAST Enterprises to develop this system. The project is expected to go live in November before the next tax year is processed. There may be some remediation or other work post go-live.</p>		
Individual Income Tax Legacy Replacement Summary of Implementation Plan	2024	\$8,489,600
<p>Treasury originally entered into DWT-200 Mi-Treas Modernization, a project utilizing a mix of Work Project funds, ITIF funds and annual appropriations with the goal of replacing both its Collections systems and Individual Income Tax (IIT) from outdated legacy systems to modern systems.</p> <p>DWT-200 experienced significant delays through the initial phase of the project. Last year, the decision was made to split the Collections and IIT systems into separate projects. The existing MiTreas project is projected to go live on July 31st, with likely some post go-live work remaining in the coming months.</p> <p>Treasury issued an RFP specific to creating a system for Individual Income Tax, along with the option for potential City Taxes. The RFP would allow Treasury to retire its existing IIT system as well as move off the aging Unisys mainframe.</p> <p>This work project is supporting TP 617- Individual Income Tax Modernization (MiIMITS)- Treasury entered into an agreement with FAST Enterprises to develop this system. The project is expected to go live in November before the next tax year is processed. There may be some remediation or other work post go-live.</p>		
IT System Enhancements Summary of Implementation Plan	2024	\$2,548,400
<p>Treasury will utilize a mix of DTMB resources and vendors to implement various IT projects across the department.</p> <p>This work project is supporting the following active or completed projects:</p> <p>DWT-294- 2016 Server Refresh: projected completion 12/2026 FS 132- Replace financial access databases. Projected go-live in August of this year. TC 221: ESKORT modernization projected finish March of 2026 DS 034: Front end 22 Barcode, projected finish this year</p>		

Leadership Development Program Summary of Implementation Plan	2024	\$186,000
<p>July 2024:</p> <ul style="list-style-type: none"> - Enter into vendor agreement - Vendor site visits - Identify learning objectives and applied learning competencies - Design curriculum/agency stories for lessons <p>August 2024:</p> <ul style="list-style-type: none"> - Design curriculum/agency stories for lessons - Develop pilot training schedule <p>September 2024:</p> <ul style="list-style-type: none"> - Facilitate first pilot training sessions <p>October 2024-September 2025:</p> <ul style="list-style-type: none"> - Facilitate remaining pilot training sessions <p>May 2025:</p> <ul style="list-style-type: none"> - Association for Talent Development annual conference for training professionals <p>Develop skills of treasury training staff and business area managers, supervisors, and leaders. Partner with external consultant for design and facilitation of a Treasury-specific tiered leadership development curriculum and implement pilot. Associated costs may include, but are not limited to: travel expenses for learners, facilitation costs, learning assessments, conference fees, and incidentals. Upon completion, participants will be able to:</p> <ul style="list-style-type: none"> - Adopt a management approach that best fits their work environment - Utilize all five managerial functions to achieve organizational goals - Recognize and leverage trends and factors in the modern workplace - Identify their unique learning style - Recognize the learning styles of others - Apply various theories of management and human psychology to motivate others - Utilize the seven-step decision-making process for managers - Employ various channels and strategies for effective communication in the workplace - Apply techniques to improve the hiring, onboarding, and development of employees 		
Local Prosecutor Support Grants Summary of Implementation Plan	2025	\$16,750,000
<p>Grant funding will be distributed in accordance with the requirements included in 2025 Public Act 22, Article 16, Section 805.</p> <p>The Local Prosecutor Support Grant program is a reimbursement-based grant. Once the Grant Agreements are finalized, the Offices of County Prosecutors (grantees) that have been awarded a grant can start submitting, to Treasury, reimbursement requests, along with supporting expenditure documentation. Treasury will review the reimbursement requests and once approved will issue payments to the grantees. Treasury will incur expenditures as reimbursement requests are processed. The grant end date is September 30, 2029.</p>		
MiABLE Outreach Summary of Implementation Plan	2025	\$675,900
<p>The ABLE Age Adjustment Act will potentially double the number of eligible Michigan residents who are eligible for the MiABLE Disability Savings Program. Using funds allocated and authorized in FY25 for continued outreach and marketing services will allow staff to ensure this new population is aware and educated about the benefits of the MiABLE program and its new eligibility rules.</p> <p>Utilizing these funds for continued professional marketing services will allow more direct to consumer access by MiABLE staff. This Work Project will further support the outreach efforts of the MiABLE program through multi-year investments for FY26 and FY27, as well as provide take away items and MiABLE brochures, braille FAQ, sponsorships for disability advocacy conferences, statewide presentations, and media purchases.</p> <p>The project will be accomplished by utilizing state employees or contracts with service providers, or both.</p>		

**Michigan Infrastructure Council MOU with Michigan Department of Technology Management and Budget - Michigan Infrastructure Office
Summary of Implementation Plan**

2023

\$270,000

This project will support the following priorities:

- Operating a Technical Assistance Center for local and tribal government grant and asset management activities.
- Coordinating communications through a Strategic Communications Committee and a Communications Plan.
- Creating a Local Infrastructure Insights Dashboard to assist local and tribal governments with benchmarking, data collection, and analysis.

This pilot program launches in August 2024 with a select group of participating communities. Feedback and results from the pilot will inform the development of a statewide program in fiscal year 2025, utilizing the remaining project funds. See attachment for further details.

The MIC is currently working to identify up to 3 more communities to take part in the program to utilize the remaining work project funds. Lessons learned through this program will be utilized to develop training modules to be included in the MIC Asset Management Champions program.

**Municipal Support Grants
Summary of Implementation Plan**

2024

\$47,000,000

The project will be accomplished by utilizing contracts with local units of government, contracts with nonprofit organizations, or both.

Sec. 1502.

(1) The department of treasury shall award funds appropriated in part 1 for municipal support grants as follows:

(a) \$1,500,000.00 must be awarded to a city with a population over 80,000 in a county with a population between 404,000 and 407,000 according to the most recent federal decennial census for the purpose of promoting public safety.

(b) \$3,500,000.00 must be awarded to a community education initiative that supports a parent collaborative, community council on education, and network for school excellence in a city with a population over 80,000 in a county with a population between 404,000 and 407,000 according to the most recent federal decennial census for the repurposing of old government, school, and commercial buildings with an emphasis on those that can be utilized for the purposes of early childhood or after-school programs.

(c) \$5,000,000.00 must be awarded to the United Way of a county with a population between 404,000 and 407,000 according to the most recent federal decennial census to build the infrastructure and delivery systems to modernize a continuum of care program for services to unhoused individuals.

(d) \$10,000,000.00 must be awarded to the United Way of a county with a population between 404,000 and 407,000 according to the most recent federal decennial census for the purpose of creating affordable housing opportunities.

(e) Any funds remaining after the awards specified in subdivisions (a) to (d) must be awarded to make payments to a qualified retirement system located in a city with a population over 80,000 in a county with a population between 404,000 and 407,000 according to the most recent federal decennial census.

(2) The unexpended funds appropriated in part 1 for municipal support grants are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide financial assistance to local units of government that are experiencing or have experienced periods of financial distress and nonprofit entities that serve residents of those local units of government.

(b) The project will be accomplished by utilizing contracts with local units of government, contracts with nonprofit organizations, or both.

(c) The total estimated cost of the project is \$47,000,000.00.

(d) The tentative completion date is September 30, 2028.

Treasury is in the process of reviewing grant applications submitted and working with the grant applicants to obtain proper supporting documentation to allow Treasury to award grants. In addition, Treasury is updating Grant Agreements, and obtaining approval, from the Office of Financial Management (DTMB), to advance funding to approved grantees. No Grant Agreements have been signed at this time.

Treasury is anticipating having Grant Agreements completed by the end of August 2025. Grantees will submit to Treasury (for approval) substantiating documentation in support of any/all grant expenditures.

Grant projects funded by the work project have until September 30, 2028, to incur expenditures related to the approved projects. Grantees will submit to Treasury (for approval) substantiating documentation in support of any/all grant expenditures.

**Privacy, Security, and Database Management
Summary of Implementation Plan**

2022

\$626,600

Projects targeted under this work project include, but are not limited to:

-IRS 2023 Safeguard Review Remediation: The IRS has a statutory authority to audit state agencies that receive tax information. Title 26 of U.S. Code 6103(p)(4) requires agencies authorized to receive federal tax information (FTI) to establish procedures to ensure the adequate safeguards of the FTI received. IRS audit findings remediation will allow Treasury to continue to receive information needed to generate additional revenue and increase stakeholder satisfaction.

-Security plans and risk assessments: Treasury is required to perform risk assessments and document system security plans and controls of its information technology systems. These systems collect, process, and store Treasury data including confidential information such as Personal Identifiable Information, State Tax Information, and Federal Tax Information.

-IRS Penetration Testing: All systems that contain Federal Tax Information require penetration testing every 3 years

-Tax accrual database replacement and other Access database replacements: Treasury's Tax Accrual database was designed on an Access platform, which is no longer supported, making it difficult to troubleshoot and correct system issues. This database provides vital year-end closing financial information totaling over \$2 billion and system issues can prevent timely delivery of information to stakeholders. Additional Access databases utilized by the agency are also targeted for replacement to current software platforms.

Most of these projects are slated to finish this year, the work project is fully encumbered but may incur some costs into the next fiscal year depending on billing schedule.

**Regional and Local Technical Assistance
Summary of Implementation Plan**

2025

\$1,250,000

MIC Regional Infrastructure Coordination Hubs (RICH) Pilot Program
Phase 1: Foundational Setup & Alignment (August - November 2025)
Phase 2: Needs Assessment & Data Architecture (November 2025 - March 2026)
Phase 3: Pilot Implementation & Training (March - August 2026)
Phase 4: Year 1 Evaluation & Refinement (August - September 2026)
Phase 5: Year 2 Operations (October 2026 - September 2027)
Phase 6: Year 2 Evaluation & Future Planning (October 2027)

MIC Asset Management Technical Assistance Program (October - September 2026)

Revenue Sharing Web Application IT Project**2024****\$252,000**

Treasury is planning to utilize a vendor to perform some of the work, with support from DTMB.

Idea EP 107 has been created in Clarity to support the project and will utilize DTMB EPMO and associated project management methodology.

The project will:

1. Replace existing revenue sharing web estimates application.
2. System that can use the RSPPT data without data manipulation (modification)
3. Provide Reporting options for local units and others (Excel and pdf)
4. The ability to add new payment types to the program (CFT, Marijuana, QHERPP, SBTE.)
5. All the features in the current Bimonthly Web Application

The project is currently finishing up our Sprint 0 phase, which includes detailed requirements gathering and project planning before initiation. The project is anticipated to begin this fiscal year utilizing a vendor for development.

**School Bond Qualification and Loan Program System Replacement
Summary of Implementation Plan**

2024

\$281,300

Planned upgrade would allow single point of entry for school districts to submit financial data in support of their applications. Approximately 450 school districts utilize the SBQLP program and residents and investors rely on financial data generated by Treasury via reports which would be improved by new system. A new system would at a minimum:

- (1) Create forward facing web page to submit and access application data.
- (2) Eliminate manual data entry improves internal staff experience and accuracy of review.
- (3) Improve staff and customer experience by streamlining application review and processing time.
- (4) Improve customer experience through reducing required follow-up and correspondence; certain application entry errors would be flagged by system prior to submission.
- (5) Would shift records retention from hard copy to electronic, more efficiently store data and increase reporting capabilities and data analytics.

The School Bond Qualification Loan Program (SBQLP) was established by the Michigan Constitution of 1963 and subsequently amended by Public Act 92 of 2005 to provide a state credit enhancement and loan mechanism for school district bond issues. The State Treasurer must qualify the bonds, and the bond proceeds must be used for capital expenditure purposes. Qualified bonds provide school districts with access to the states credit rating, which will usually result in a lower interest rate and cost and the ability to borrow for the principal and interest requirements of outstanding qualified bonds (subject to a minimum debt millage).

Since the inception of the School Bond Qualification and Loan Program, over 5,200 bond issues have been qualified. As of December 31, 2021, the total amount of principal outstanding is approximately \$14.5 billion. Current loans to school districts totaled approximately \$770 million as of September 30, 2022.

The current School Bond Loan (SBL) system utilizes an Access database for queries and report generation. Applications are submitted in PDF. Staff key in data manually. Access is an undesirable platform and is not supported by DTMB. In addition, if Access transitions to the 64-bit version, significant coding changes within the SBL Access database will be required. Treasury would like to develop a new SBL qualification system to replace the legacy Access database.

Treasury was awarded ITIF funds during FY24 for this system enhancement and has been engaged with DTMB to better plan this project. We have a preliminary cost estimate that falls within the ITIF award, however it is very close to the ITIF amount. This work project would supplement those funds in the event that project scope changes or encounters delays.

All dates are tentative based on signing of final contract with the vendor:

- Sept 1, 2025: Contract with the vendor signed
- Sept 15, 2025: Kickoff call with vendor, Treasury staff and DTMB
- Oct 1 2025: Vendor to begin requirements gathering and initial system configuration
- Feb 1, 2026: Treasury staff and DTMB begin system testing
- May1, 2026: Historical/legacy data transferred from current SBL system to new system
- July 1, 2026: Go-live date for new system, to run concurrently with current SBL system
- July 1, 2027: Retire current legacy SBL system

**School District Emergency Loan Debt Relief
Summary of Implementation Plan**

2024

\$18,679,000

The entity eligible for these funds is the Ypsilanti Community Schools which will be using the funds for projects associated with recruitment and retention of students to increase enrollment, to attract and retain certified teachers, and capital improvement plans.

Tax System Information Technology Updates and Enhancements
Summary of Implementation Plan

2023

\$10,355,800

This project will utilize a mix of Department of Technology, Management & Budget and contractor resources to implement the specific information technology system improvements. Currently, several potential candidates within the department's information technology portfolio exist and it is possible that some candidates could be combined into a broader effort within this space to better leverage this funding.

Potential projects may include, but are not limited to:

Migrate Michigan Treasury Online (MTO) platform and functions to SAP Hybris e-service

New MTO Registration Process- Improve registration process for taxpayers in MTO

E-services Update for Tax Professional- Enhanced e-services for tax professionals

Enable Corporate Income Tax Payments with Electronic Returns

DWT-312 MiMats modernization: The existing motor fuel and tobacco system is supported by an older version of GenTax. The version needs to be upgraded to avoid end of life issues as well as to ensure compliance with Federal WCAG accessibility standards. This project is expected to start this calendar year.

DWT 313- New solution for the 911 tax collection, additional functionality is needed related to a past OAG finding. This project is expected to begin this calendar year.

DWT 311- This work project may also support a broader replacement of business tax platforms. (See related FY25 work project request).

Treasury Disclosure and Security System
Summary of Implementation Plan

2024

\$675,600

Treasury has proposed estimate from a vendor for approximately \$1,500,000. Treasury is planning to pay for those costs with existing Treasury resources. The project will likely include DTMB support costs, infrastructure and other miscellaneous costs. This work project will support those remaining costs.

Clarity idea PS-038 has been created. The project will utilize vendor and DTMB resources, following DTMB EPMO policies and procedures. This project is active and Treasury has a contract in place with KL&A for this implementation.

The disclosure unit is looking to move disclosure requests to an electronic format for receiving, processing, and sending tax information being requested. Requests are submitted by individuals, third-parties, state agencies and other entities as agreements with Treasury allow, subject to state and federal disclosure laws and policies.

The current disclosure process is a heavily manual process with individuals, external entities, and State Agencies submitting paper records to the Disclosure Unit with paper returns being sent back. The intent of this project is to implement the system that Treasury received an estimate for during FY24 from an external vendor. The solution would provide better metrics about the overall disclosure program and allow for more speedy response to requests.

This process deals with potentially sensitive taxpayer data, and having a robust and secure mechanism for processing these requests is critical.

Treasury Workspace Modernization Summary of Implementation Plan	2024	\$3,160,200
<p>Continuation of the Treasury Workspace Modernization work project. To support needed changes to the Treasury workspace to accommodate a hybrid work environment by consolidating space, allowing for remote employee hoteling space for onsite work, ensuring implementation of hybrid technology, and enhancing employee collaboration and workspace efficiency. This specific request is targeting funding to allow for enhancements and upgrades to the Treasury occupied portion of the Austin Building, Treasury field offices (Cadillac Place, Flint, Grand Rapids, Sterling Heights, Traverse City, Saginaw, Escanaba), and the Operations Center.</p> <p>The original Treasury Workspace Modernization project is in the execution phase, building out space and actively designing space. Our intent is to perform Treasury wide enhancements and upgrades for our main offices, field offices and leased space.</p> <p>An updated timeline is attached.</p> <p>Office space standards are in the process of being finalized. These standards and the guidelines developed for the Workspace Modernization Work Project have and will be used to determine authorized expenditures. Some purchases have been authorized and the expenditures should be posted in the near future. Office space design work is in process with various Treasury business areas. A few areas have been relocated within existing Treasury space to accommodate current and future Workspace Modernization projects.</p> <p>A rough estimated budget prepared by our facilities team in conversations with DTMB is attached. The pricing in the attached document follows some historical data and recent estimates received for current work. The commodities market and labor pricing are ever changing and future actual costs will likely differ.</p>		
Treasury Workspace Modernization Summary of Implementation Plan	2022	\$1,848,600
<p>Project is in the execution phase, building out space and actively designing space. A portion of Treasury employees have already transitioned to a hybrid work environment, including some to fully remote work. Implementation may involve movement of some employees physical work locations, incorporating hybrid technology, and improving work space efficiency.</p> <p>Office space standards are in the process of being finalized. These standards and the guidelines developed for the Workspace Modernization Work Project have and will be used to determine authorized expenditures. Some purchases have been authorized and the expenditures should be posted in the near future. Office space design work is in process with various Treasury business areas. A few areas have been relocated within existing Treasury space to accommodate current and future Workspace Modernization projects.</p> <p>A rough estimated budget prepared by our facilities team in conversations with DTMB is attached. The pricing in the attached document follows some historical data and recent estimates received for current work. The commodities market and labor pricing are ever changing and future actual costs will likely differ.</p>		
Tribal Litigation Fund Summary of Implementation Plan	2022	\$257,200
<p>Cases involving Indian tribes are unique in that they generally involve federal preemption of state and local laws and therefore cannot be remedied with changes to state and local statutes. In addition, they frequently require more resources to hire expert witnesses such as linguists, historians, anthropologists, etc. for treaty interpretation and other related functions. This work project will help Treasury cover the legal expenses in such cases.</p> <p>There continues to be litigation risk related to tribes, the current cases are still subject to appeal.</p>		
Tribal Litigation Fund Summary of Implementation Plan	2025	\$453,500
<p>Should KBIC v Khouri continue to the Sixth Circuit Court of Appeals, the Tribal Litigation Fund will be used to pay for litigation expenses. In addition, Treasury anticipates there may be additional tribal litigation in the future that could be supported with the Tribal Litigation Fund.</p>		

* Estimated Work Project Amount represents the original, total estimated amount of the work project when it was created and not the current balance.