



## **Background Briefing**

# **TECHNOLOGY, MANAGEMENT, AND BUDGET**

**Benjamin Gielczyk, Senior Fiscal Analyst**

**December 2012**

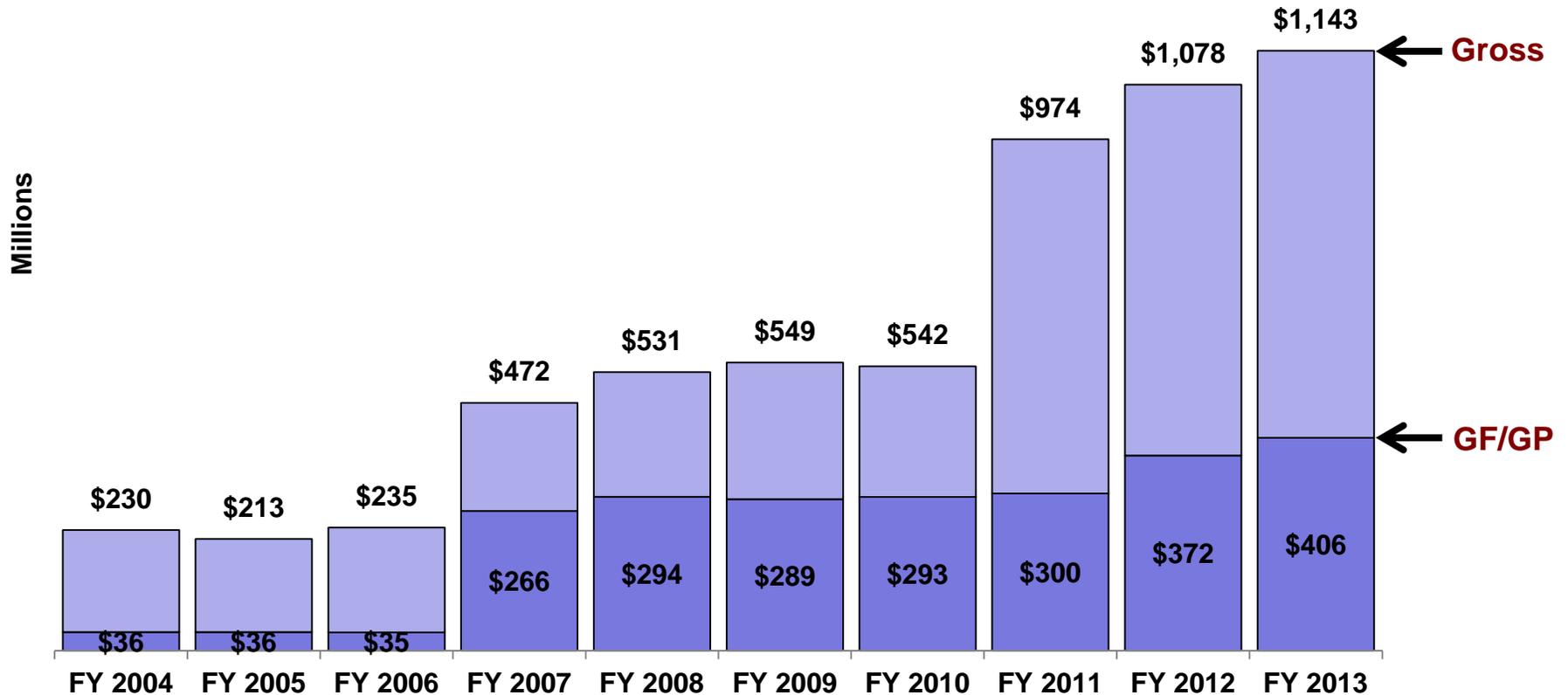
**The fiscal information in this background briefing is based on data through December 31, 2012.**

# 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**
- **Mission is providing leadership and setting the pace for customer service, resource optimization, and the innovative use of information and technology**
- **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**
- **As a result of Executive Order 2009-55, DMB merged with the Department of Information Technology to form the new Department of Technology, Management, and Budget**

# DTMB: Gross Appropriations

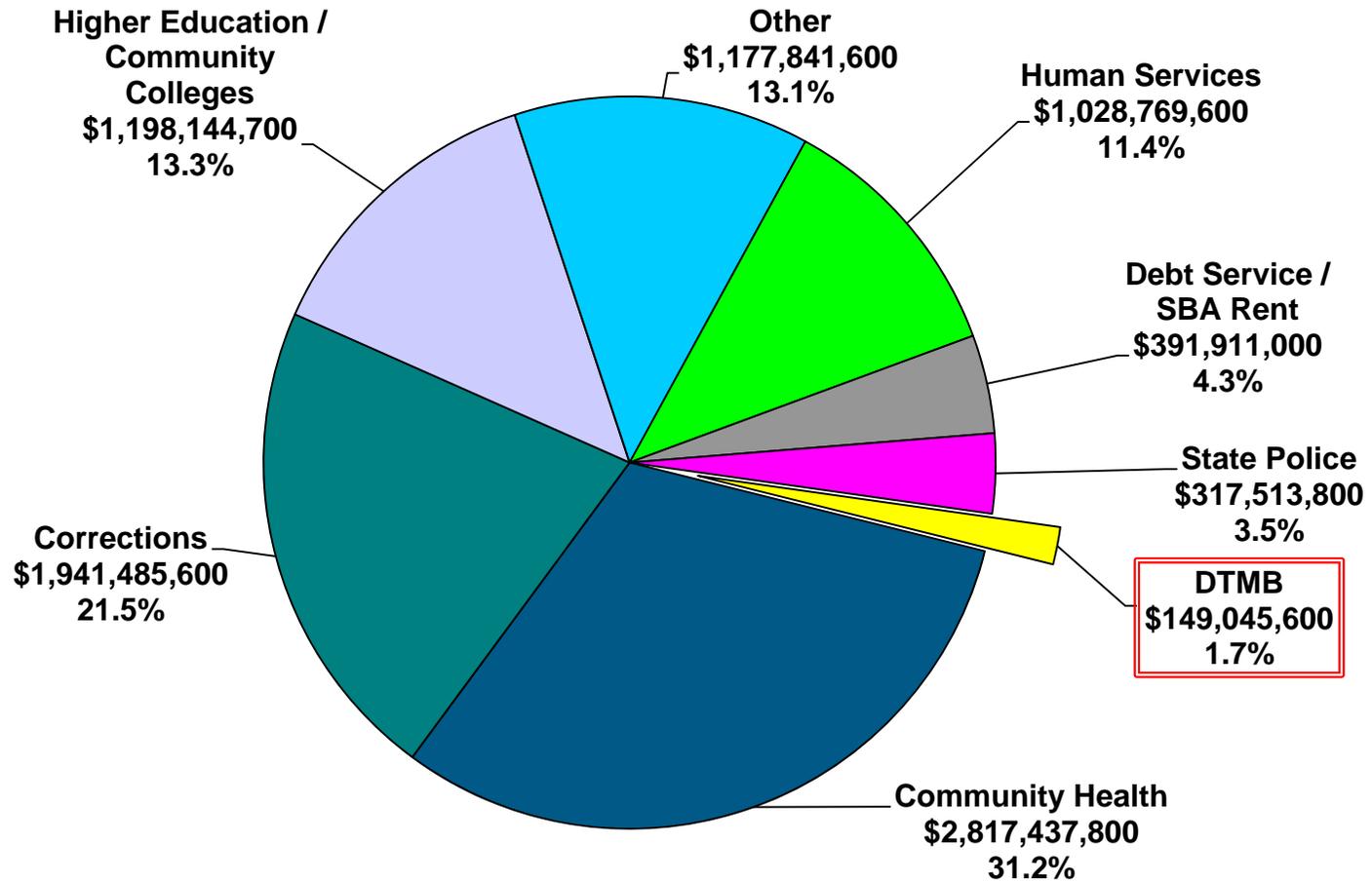
Spending increases are due primarily to transfers from other departments: Michigan State Fair in FY 2006; State Building Authority rent payments in FY 2007; Civil Service in FY 2008; all human resources functions in FY 2009; and Information Technology in FY 2011. Spending decreases are due to budget reductions. FY 2012 includes one-time GF/GP appropriations (\$61.3 million). Major additions in FY 2013 include new IT development (\$47.0 million) and building maintenance (\$18.0 million) funds along with one-time appropriations (\$25.7 million).



# DTMB Share of State GF/GP

DTMB makes up 1.7% of the total state GF/GP budget

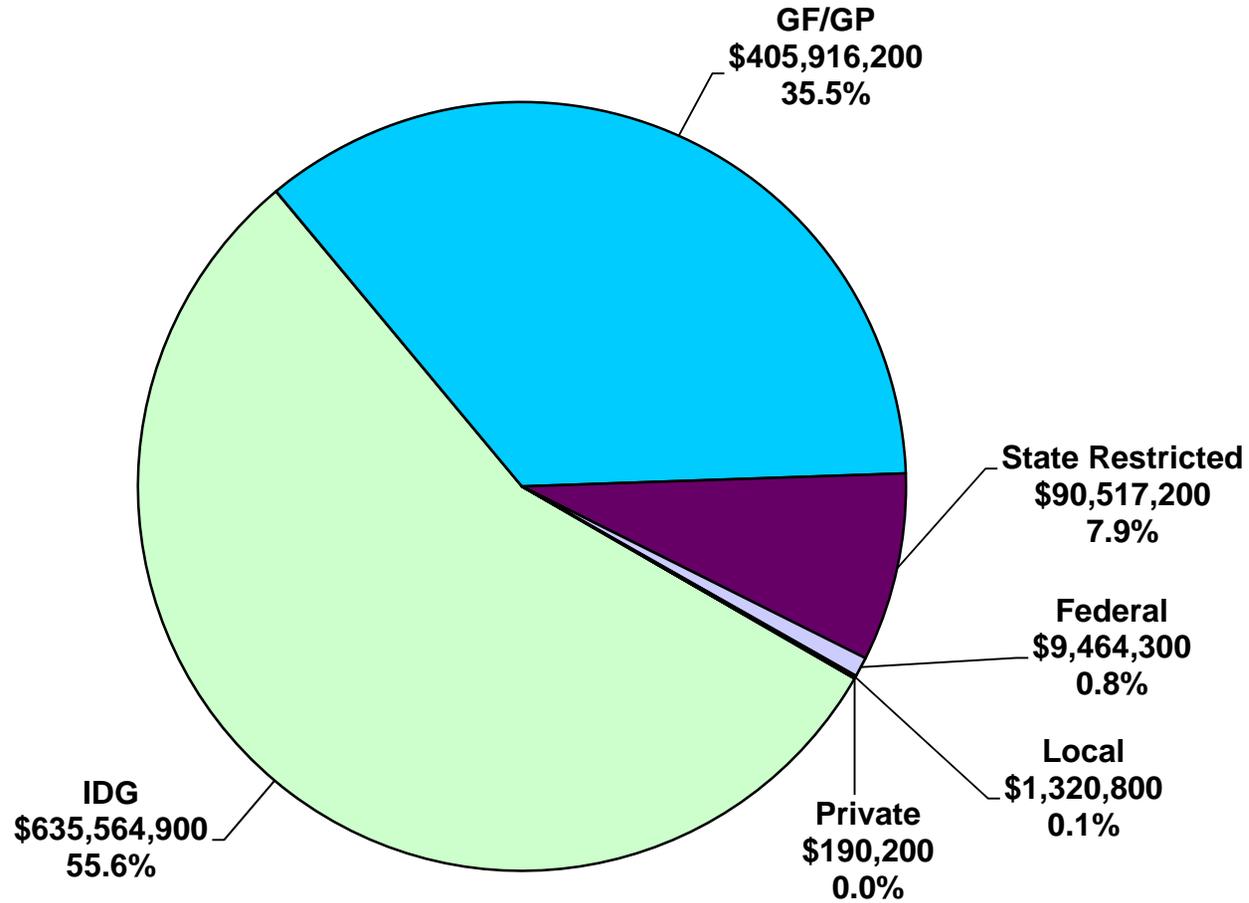
FY 2012-13 GF/GP Total = \$9,022,149,700



# **SOURCES OF FUNDING**

# DTMB Funding Sources

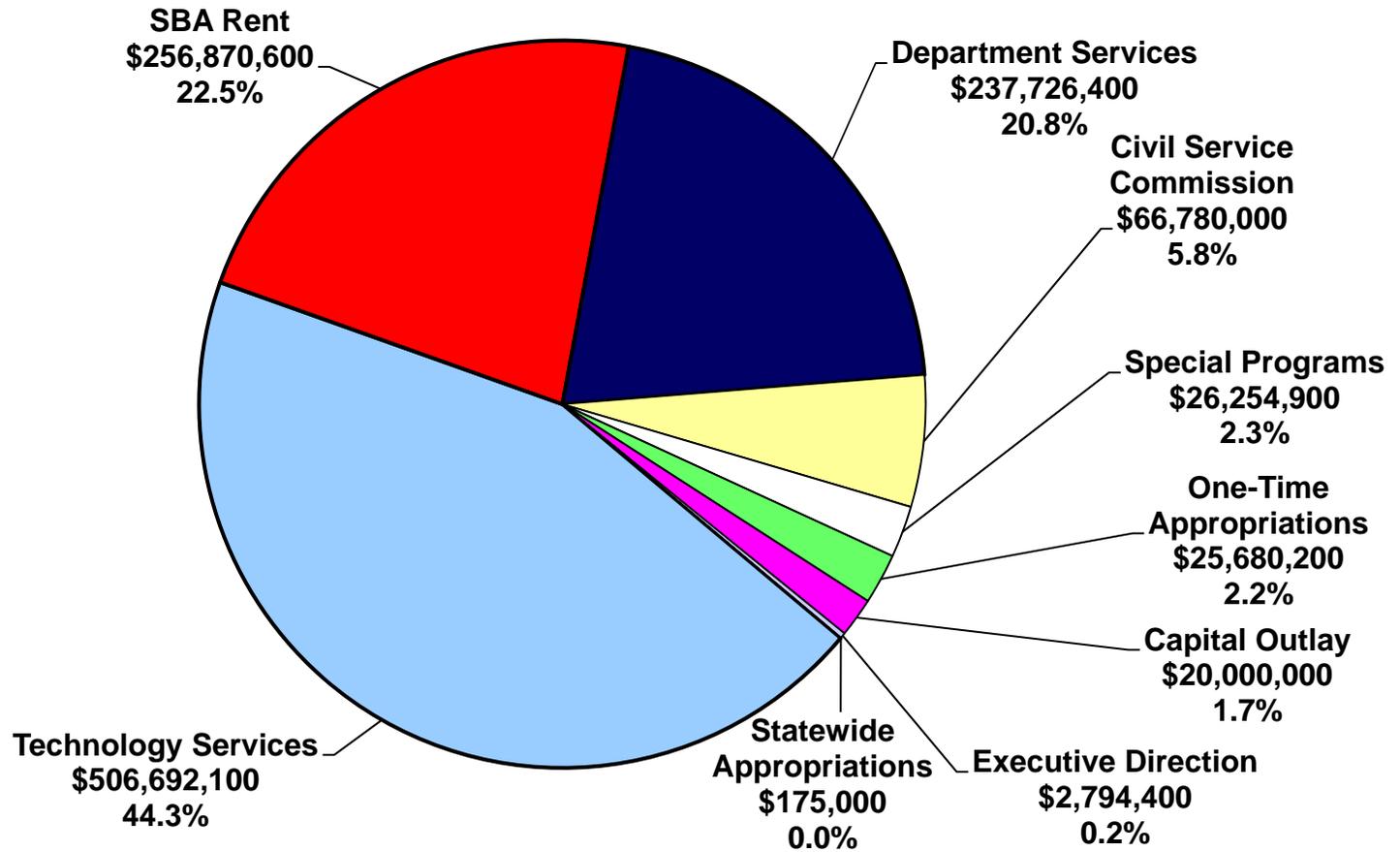
**FY 2012-13 DTMB Budget = \$1,142,973,600**  
(Includes \$25.7 million GF/GP in one-time appropriations)



# **DEPARTMENT APPROPRIATIONS**

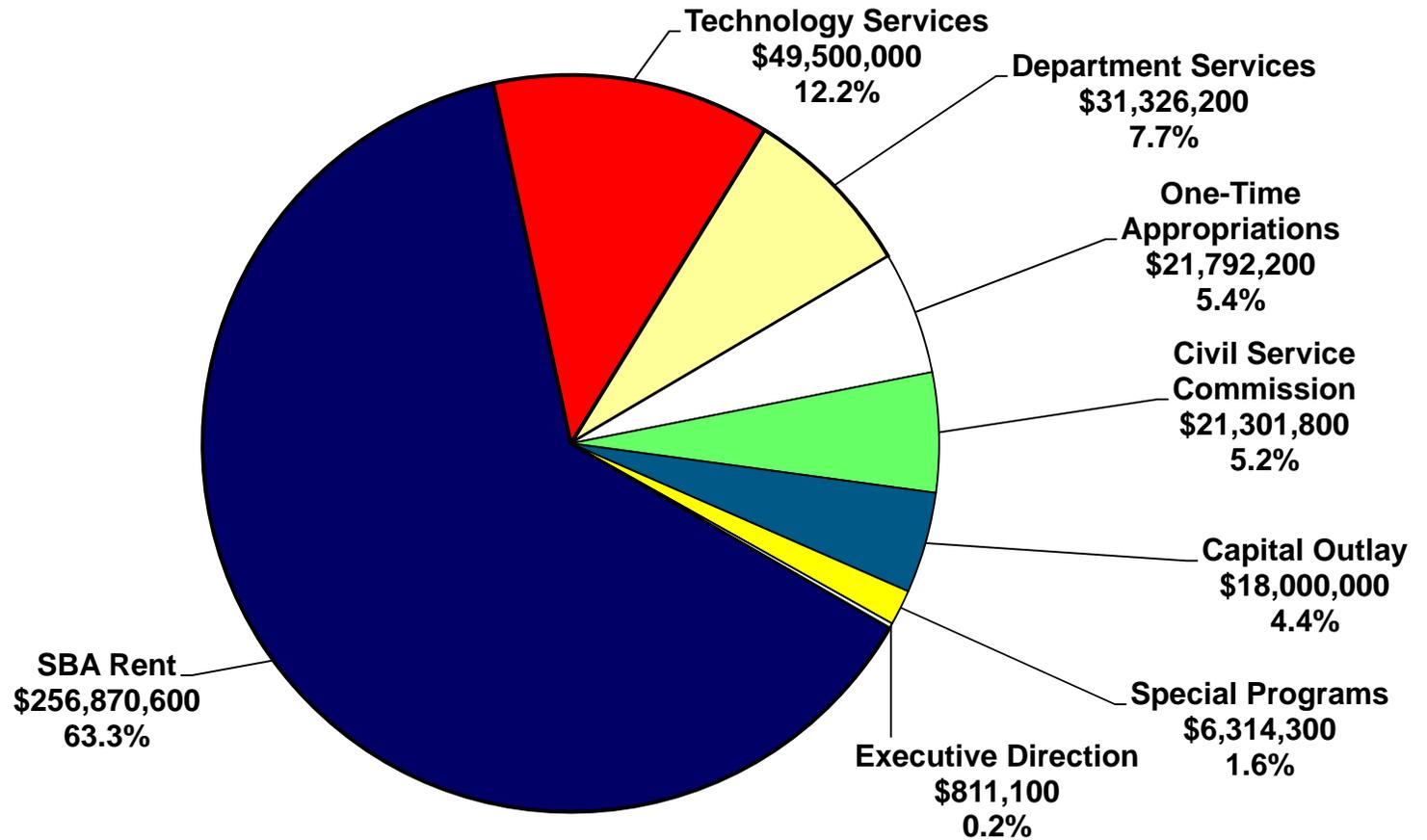
# DTMB Gross Appropriations

**FY 2012-13 Total = \$1,142,973,600**  
(Includes \$25.7 million in one-time appropriations)



# DTMB GF/GP Appropriations

**FY 2012-13 Total = \$405,916,200**  
(Includes \$21.8 million in one-time appropriations)



# DTMB Appropriations

- **Department Services: \$237,726,400 Gross**
  - 70.2% IDG, 14.1% state restricted, 13.2% GF/GP, and 2.5% Federal funding.
  - Operational services for DTMB, other state departments and agencies, colleges, universities, and other governmental units; includes administrative, budget, financial management, internal audit, building construction and operation, real estate, mail delivery, information technology, and a variety of other 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

# DTMB Appropriations

- **Department Services (continued)**
  - **State Building Authority issues revenue bonds for facility acquisition and construction and monitors 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 provides state agencies, universities, and community colleges with project planning, architectural and engineering services, surveying, construction management, and quality control services for infrastructure improvements and new construction projects; procures contracted services for all state agencies' construction and renovation projects; and assists with space planning and lease-related construction issues**
  - **Vehicle Travel Services responsible for acquisition, lease, maintenance, operation, repair, replacement, and disposal of state government motor vehicles**
  - **Bureau of Labor Market Information and Strategies transferred to DTMB under EO 2011-4.**

# DTMB Appropriations

- **Technology Services: \$506,692,100 Gross**
  - **Technology services to state agencies are 100.0% IDG funding; each state department requests spending authority to fund information technology-related activities and pays for services through interdepartmental grants**
  - **Utilizes state employees from the each state department to support long-term technology needs of the state**
  - **Information technology services involve all aspects of managing and processing information:**
    - **Application development and maintenance**
    - **Desktop computer support and management**
    - **Mainframe computer support and management**
    - **Server support and management**
    - **Local area network support and management**
    - **Information technology contract, project, and procurement management**
    - **Information technology planning and budget management**
    - **Telecommunications services, security, infrastructure, and support**
    - **Software and software licensing**

# DTMB Appropriations

- **Technology Services (continued)**
  - **Funding is organized into the following areas based on agency missions:**
    - **Education Services – Department of Education**
    - **Health and Human Services – Departments of Community Health, Human Services (including Child Support Enforcement System), Licensing and Regulatory Affairs, and the Unemployment Insurance Agency**
    - **Public Protection – Departments of Attorney General, Civil Rights, Corrections, Military and Veterans Affairs, and State Police**
    - **Resources Services – Departments of Agriculture, Natural Resources, and Environmental Quality**
    - **Transportation Services – Department of Transportation**
    - **General Services – Departments of Technology, Management, and Budget, State, and Treasury; includes Civil Service Commission, Bureau of State Lottery, and Michigan Gaming Control Board**
  - **Includes \$2.5 million GF/GP for an Information Technology Innovation Fund to invest in high priority, low cost projects that demonstrate significant return on investment**
  - **Includes \$47.0 million GF/GP for an Enterprisewide Information Technology Investments to support statewide IT initiatives targeting technology upgrades and automation opportunities**

# DTMB Appropriations

- **Statewide Programs: \$175,000 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; DTMB administers appropriations**

# DTMB Appropriations

- **Special Programs: \$26,254,900 Gross**
  - 76.0% state restricted and 24.0% state GF/GP funding
  - Unique programs created by the Legislature
    - Information technology innovation fund (FY 2012)
    - Administration transition costs (FY 2011)
    - Census tracking/reapportionment costs (FY 2010)
  - 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 2012-13 Total = \$256,870,600**

- **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

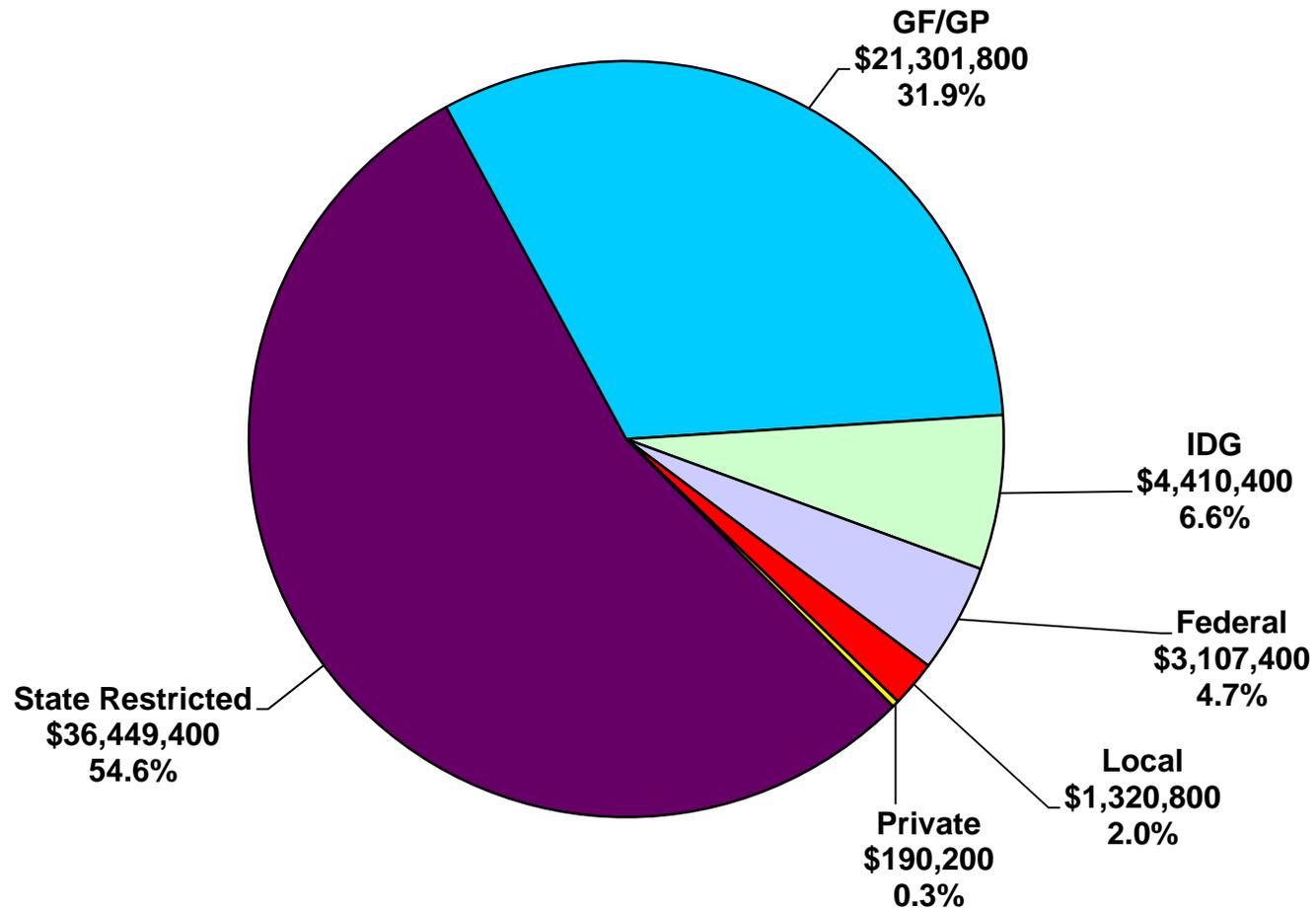
- **EO 2007-30 transferred all Department of Civil Service functions to DTMB and transferred all human resources functions from state agencies to the Civil Service Commission within DTMB**
- **Mission is to provide human resource services to attract, develop, and retain an effective state workforce**

# 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 2012-13 Total = \$66,780,000



# Civil Service Appropriations

- **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

## CAPITAL OUTLAY

- **\$18.0 million for Enterprisewide Special Maintenance for State Facilities: Funding supports continuing maintenance and upkeep projects at all state-owned properties**

## ONE-TIME APPROPRIATIONS

- **\$4.7 million for negotiated one-time lump sum payments**
- **\$10.0 million GF/GP for Special Maintenance, Remodeling and Addition – State Facilities: Supports ongoing funding for maintenance and upkeep projects at all state-owned properties**
- **\$7.0 million GF/GP for office space consolidation**
- **\$4.0 million GF/GP for Teacher Evaluation Pilot Program: Funding supports IT costs associated with development of program**

# Autonomous Units Within DTMB

Other autonomous units within DTMB 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

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

**Benjamin Gielczyk  
bgielczyk@house.mi.gov  
(517) 373-8080**