DTMB Budget
FY 2019 Funding Priorities

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House Appropriation Subcommittee

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Michigan Department of Technology, Management & Budget

State agencies / Citizens **Businesses** **Local governments** **Universities**

$1.2 billion budget

3,000 employees

47,000 State employees

24 State of Michigan Departments

1,700 business applications

55,000 desktop, laptop and tablet computers

16,000 managed mobile devices

42 managed facilities

80,000 MPSCS radios

$3.8 billion in **1,100** procurement portfolio contracts

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

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# DTMB Overview

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
- Retirement services
- Facility design, construction and maintenance
- Labor Market Information and Strategic Initiatives
- State Budget Office

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

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How is DTMB funded?

DTMB Funding by Source

Restricted Revenue
8.4%
$114.4M

Federal/Other Revenue
0.6%
$7.5M

GF/GP
35.8%
$486.8M

Rates
55.3%
$751.8M

GF/GP Breakdown

State Building Authority Rents
45.5%
$221.0M

Agency Operations
54.6%
$265.8M

FY 2019

$1,360.5 M

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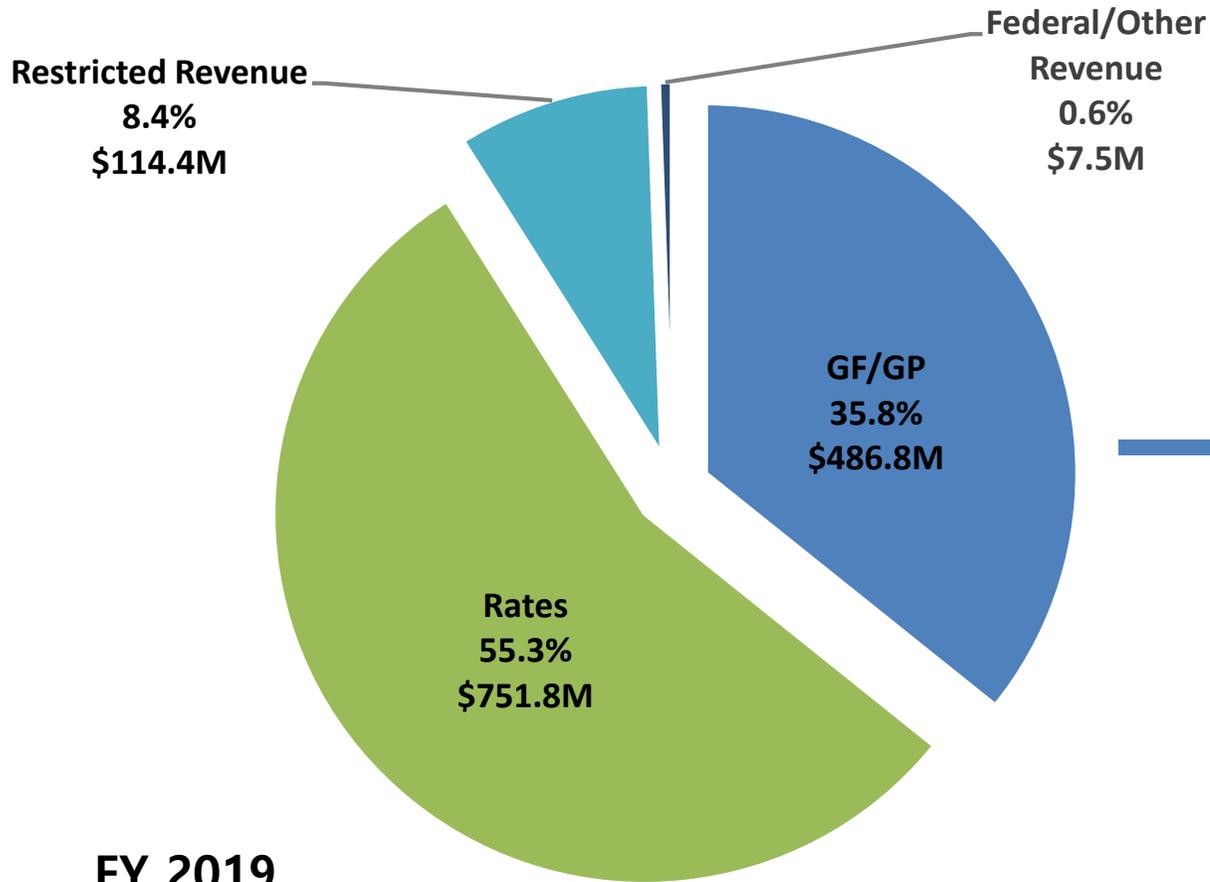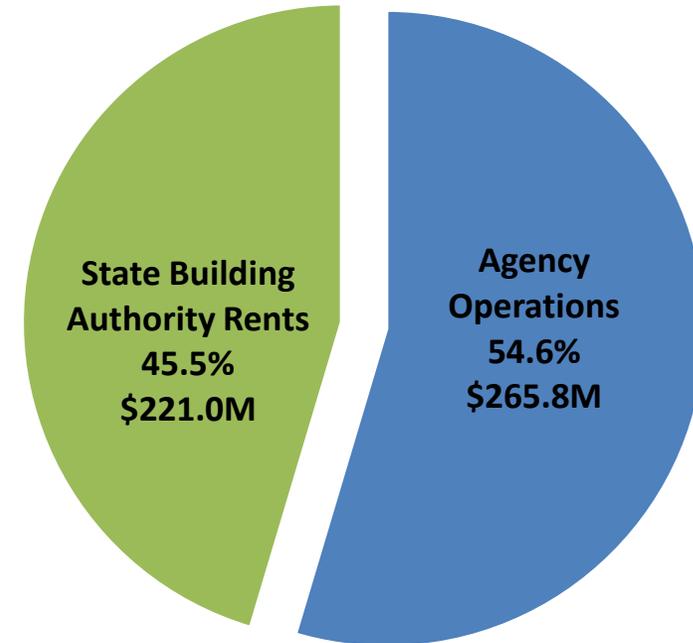
DTMB Budget

DTMB Breakdown

Management & Budget
26.5%
$361.1M

State Building Authority
19.5%
$265.8 M

Civil Service
5.4%
$73.0M

Information Technology
48.6%
$660.6M

$1,360.5 M

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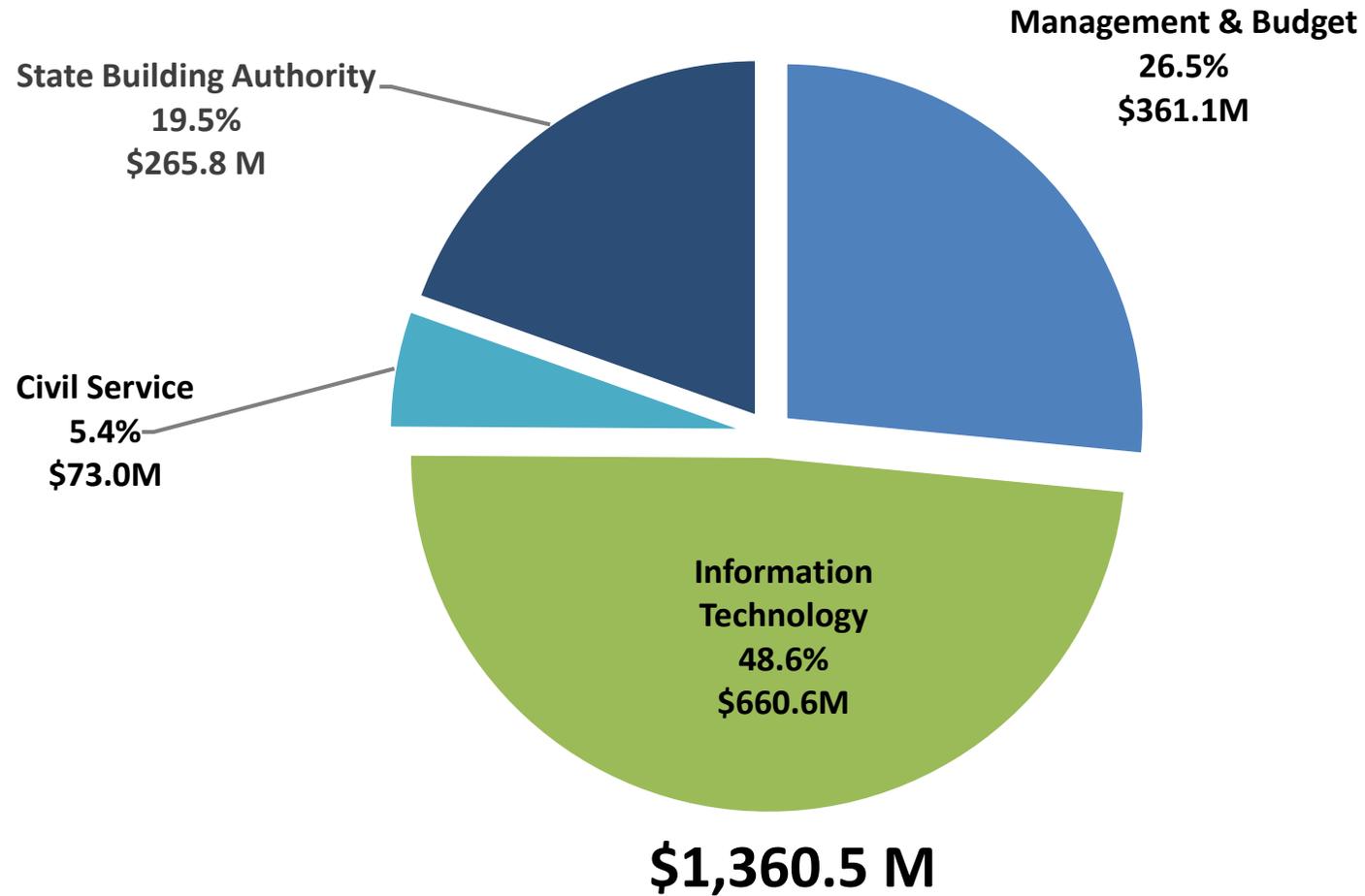
FY 2019 Budget Requests

- Enterprise Portfolio Management - $2,010,000 GF
- Procurement Improvement Plan - $891,900 restricted funds
- Financial Services Support Staff - $559,400 GF/restricted funds
- Building Operations Support - $1,800,000 building occupancy rate
- Pay for Performance - $1,500,000 GF
- FTE Right-sizing - $0 budget impact
- Michigan Cyber Civilian Corps - $420,000 one-time restricted funds
- Additional Requests
- FY 2018 Supplemental

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Enterprise Portfolio Management

Request: $2,010,000 GF

- Purpose:
  - 11 new FTEs for project oversight, compliance and audit remediation

- Outcomes:
  - To provide all IT projects the same level of transparency and quality that ITIF projects receive
  - Consistent use of the state's established project management process to track compliance, project success and efficient use of project funds to reduce recurring issues highlighted by the Office of Auditor General
  - More efficient management and oversight of contracted project managers

DTMB

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Procurement Improvement Plan Completion

Request: $891,900 restricted funds

- Purpose:
  - 3 new FTEs for a contract monitoring program and supplier relationship management
  - 3 new FTEs to create a statewide procurement professional development program
- Outcomes:
  - Ensure contract compliance throughout the life of all state contracts
  - Implement supplier risk management process and technology solution
  - Establish supplier performance management and formal reporting
  - Build strategic supplier identification and continuous business reviews
  - Conduct education and enforcement of state procurement law and policies

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Financial Services Support Staff

Request: $559,400 GF/restricted funds

- Funding Breakdown:
  - $12,900 GF, $546,500 restricted funds
- Purpose:
  - 6 new FTEs for IT purchasing, accounts payable and invoicing
- Outcomes:
  - Avoid late payment fees with ongoing timely payments to vendors
  - Complete IT purchase requests within approved service level times
  - Increase transparency, accuracy and timeliness of agency bills

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Building Operations Support

Request: $1,800,000 building occupancy rates

- Purpose:
  - Janitorial, elevator and other service cost increases
  - Utility rate increases
- Contributing Factors:
  - Higher minimum wage laws
  - Elevator safety maintenance programs
  - Standardized safety program – single point accountability

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Pay for Performance

Approved by the rate committee
Request: $1,500,000 GF

- Purpose:
  - Recruiting and retention of experienced IT employees

- Outcomes:
  - Pay for performance will help attract and retain talented IT/cyber staff
  - Eligibility requirements:
    - Reached the top of the pay scale for more than one year
    - Achieved "high performing" ratings on evaluations
  - Reduce reliance on more expensive contractors

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FTE Right-sizing

- Purpose:
  - 167 FTEs to align with existing statewide appropriations (IT, MSPCS, Building Operations)
  - $0 budget impact

- Contributing Factors:
  - Agency demand for services appropriated and authorized by the Legislature through Interdepartmental Grant (IDG) budget lines. IDGs passed, but didn't align the FTEs.
  - Contractor conversions (efficiency)

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Michigan Cyber Civilian Corps

Request: $420,000 one-time restricted funds

- Purpose:
  - MiC3 trained cybersecurity experts who volunteer to provide expert assistance to enhance the state's ability to rapidly resolve cyber incidents
  - MiC3 mission: collaborate with government, education, private sector organizations and volunteers to create and implement a rapid response team to provide mutual aid to government, education and business organizations in the state of Michigan

- Outcomes:
  - Provide critical SANS cybersecurity training to the MiC3 members
  - Increase MiC3 members
  - Improved benefits to employers

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Additional Adjustments

- Reductions:
  - $25,000,000 reduction – IT Investment Fund - reduced from $65M to $40M – to reset its level going forward now that the implementation of SIGMA is nearly complete
  - $1,000,000 reduction on network equipment
- Additions:
  - $31,023,400 IDG – Agency requested IT funds - aligns funding of the IT IDGs with agency CSB requests
  - $19,200,000 GF State Building Authority Rent
  - $1,500,000 GF – Regional Prosperity Grants encourages local, private, public and non-profit partners to create vibrant regional economies

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FY 2018 Supplemental

- $1,750,000 – Executive Office Transition

- $20,000,000 – Broadband initiative supports increased connectivity and the expansion of broadband service to unserved and underserved communities in Michigan

- $100,000 – Education governance study

- $3,000,000 – Enterprise-wide special maintenance fund supports demolition of surplus state-owned facilities

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QUESTIONS