

## APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

**DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET  
PART 1: LINE ITEM DETAIL**
**2016 PA 268  
Article VIII  
FY 2016-17  
Initial**


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**Sec. 107 (1) APPROPRIATION SUMMARY**

1. <u>Unclassified full-time equated (FTE) positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, a limited number of policy-making positions in departments, members of boards and commissions, employees of State institutions of higher education, employees of the Judiciary, and employees of the Legislature.	6.0
2. <u>Classified FTE positions</u> - All positions in State service unless exempted by Article XI, Section 5 of the Michigan Constitution. One FTE position equals 2,088 hours.	2,877.0
3. <b><u>GROSS APPROPRIATION</u></b> - Total appropriations	<b>\$1,301,191,700</b>
4. <u>Interdepartmental grants (IDG)</u> - Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total statewide appropriations.	694,054,100
5. <u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs.	607,137,600
6. <u>Federal revenue</u> - Funding allocated to the State by the Federal government.	4,958,200
7. <u>Local revenue</u> - Funds paid by local units of government that support State services and programs.	2,320,000
8. <u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies.	0
9. <u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs.	114,340,800
10. <u>State general fund/general purpose</u> – Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90% of the general fund/general purpose (GF/GP) revenue is derived from the income, single business, insurance, sales, and use taxes.	485,518,600
11. <u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government.	0

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**Sec. 107 (2) EXECUTIVE DIRECTION**

The authority of the Department of Management and Budget is provided in the Management and Budget Act, Public Act 431 of 1984, MCL 18.1101 to 18.1594. With the popular names of "Act 431" and the "DMB Act", it details the responsibilities of the Department and also establishes budgeting, finance, and administrative procedures for the State.

1. Unclassified positions \$1,001,400

Unclassified FTE positions 6.0

The positions funded through this line include the Director of the Department, the State Budget Director, the State Employer, the Director of Communications, and the Legislative Liaison. This line funds salaries only.

2. Executive operations \$2,376,000

Classified FTE positions 12.0

Functions of this division include strategic planning, program and policy direction, communications, and internal audit.

**Unit Gross Appropriation \$3,377,400**

Interdepartmental grants 2,324,100

State restricted revenue 289,200

State general fund/general purpose 764,100

**Sec. 107 (3) DEPARTMENT SERVICES**

1. Administrative services \$15,974,800

Classified FTE positions 123.5

This line item funds financial services (accounting, reporting projections, year-end statements, audit, etc.), organizational services, and national association dues.

2. Budget and financial management \$23,073,200

Classified FTE positions 160.0

Funding supports the State Budget Office, the Office of Financial Management, and the Local Government Claims Review Board.

3. Office of the state employer \$3,417,300

Classified FTE positions 23.0

This office is responsible for central labor relations including employee relation matters, collective bargaining, and representation of State management before the Civil Service Commission and Employment Relations Board.

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4.	<u>Design and construction services</u>	\$6,477,000
	Classified FTE positions	40.0
	<p>This division administers the State capital outlay program including major construction, special maintenance, survey and evaluation of current and future sites, inspects State facilities, prepares bidding documents, recommends awards, and provides oversight during construction projects.</p>	
5.	<u>Business support services</u>	\$11,469,600
	Classified FTE positions	97.0
	<p>This line item supports acquisition services, real estate, ID mail services, and the State Building Authority (SBA). The administrative functions of the SBA were transferred to Treasury in FY 2014-15. New funding of \$825,000 and 6.0 FTE positions were added for a Procurement Improvement Plan for FY 2015-16.</p>	
6.	<u>Building operation services</u>	\$92,416,200
	Classified FTE positions	210.0
	<p>Funding supports the operation of State facilities and coordination of all building services.</p>	
7.	<u>Building occupancy charges, rent, and utilities</u>	\$7,494,200
	<p>This line item funds DTMB costs associated with rent, building maintenance costs, and utilities.</p>	
8.	<u>Motor vehicle fleet</u>	\$74,260,100
	Classified FTE positions	35.0
	<p>This appropriation reflects costs associated with the State motor vehicle fleet. Prior to FY 2003-04 the cost of this function was only reflected in individual budgets as motor transport costs. The operation of the Motor Vehicle Fleet as an off-budget revolving fund is authorized in Public Act 431 of 1984.</p>	
9.	<u>Information technology services and projects</u>	\$32,630,500
	<p>Executive Order 2001-3 created the new Department of Information Technology (DIT). 84.0 FTEs were initially transferred to the new department from the Department of Management and Budget. Executive Order 2009-55 combined DIT with the Department of Management and Budget to form the now Department of Technology, Management, and Budget (DTMB). The funding is appropriated in the originating department and received in DTMB as an interdepartmental grant from user charges.</p>	
	<p>A majority of the funding in this unit is associated with the Michigan Administrative Information Network (MAIN), Human Resources Management Network (HRMN), and the Data Collection and Distribution System (DCDS). MAIN, which is comprised of R*STARS, ADPICS, and MIDB is the State's enterprise-wide accounting and financial management system. HRMN is the State's enterprise-wide human resources, benefits, and payroll system. DCDS is the State's enterprise-wide time and attendance and labor cost distribution system.</p>	

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10. Bureau of labor market information and strategies \$5,475,100

Classified FTE positions 42.0

The Bureau of Labor Market and Information Strategies funds two offices that provide labor market information, economic and workforce research and analysis, and program measurement data and services. The offices function as the central information and research support group for numerous state government agencies.

**1. The Office of Labor Market Information**

The Office of Labor Market Information (OLMI) is responsible for the development and maintenance of the workforce information system in Michigan. OLMI produces all of the official labor market information for the state and its regions, and is responsible for providing labor market analysis, products, and services to business, workforce and economic development, education, and other key customers.

**2. The Office of Strategic Initiatives**

The Office of Strategic Initiatives is responsible for conducting research and analysis to guide policy and program development for workforce activities, and responding to information requests from Michigan's workforce boards, MEDC, the Governor's office, and the community leaders and economic developers.

<b>Unit Gross Appropriation</b>	<b>\$272,688,000</b>
Interdepartmental grants	186,818,500
Federal revenue	4,958,200
Local revenue	96,700
State restricted revenue	38,418,600
State general fund/general purpose	42,396,000

**Sec. 107 (4) TECHNOLOGY SERVICES**

Executive Order 2001-3 created the Department of Information Technology (DIT) effective on October 14, 2001. Unlike other State departments, a majority of DIT employees remain physically located within other departments. Several of the Department's core administrative functions, including human resource services, services performed by the internal auditor, and part of financial services, are provided under contract by the Department of Management and Budget (DMB). DIT is charged with the goal of achieving the use of common technology across the executive branch, including:

- Coordinating a unified executive branch strategic information technology plan.
- Overseeing the expanded use of project management principles.
- Serving as a general contractor between the State's information technology users and private sector providers of information technology.
- Developing information technology budgets and setting standards for application development for executive branch departments.

Executive Order 2001-3 transferred to the DIT all information technology services that were previously located within any executive branch department or agency, and the following entities which had been located in the Department of Management and Budget:

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- the Michigan Administration Information Network,
- the Computing Services Unit,
- the Information Technology Services Division,
- the Office of Project Management,
- the Information Technology Budget and Finance Division,
- the Office of Information Technology Solutions,
- the Telecommunications Services Unit,
- the Michigan Information Network Office,
- the Michigan Information Center.

Executive Order 2002-2 transferred the e-Michigan Office to the DIT, maintaining the e-Michigan Office as a Type I agency. Subsequently Executive Order 2002-14, through a Type III transfer, abolished the e-Michigan Office and transferred its powers, functions, and responsibilities to the Department of Information Technology.

Finally, Executive Order 2009-55 transferred the DIT to the Department of Management and Budget and renamed the entity the Department of Technology, Management, and Budget (DTMB). All functions of the former DIT remain the same under the new DTMB.

1.	<u>Education services</u>	\$4,106,500
	Classified FTE positions	29.0
	Funding from this line item supports services provided to the Department of Education, and library, archival, and records storing services provided by the DTMB.	
2.	<u>Health and human services</u>	\$291,972,300
	Classified FTE positions	617.5
	This line item funds information technology services provided to the Department of Community Health, Department of Human Services, and the Department of Energy, Labor and Economic Growth. The line item also includes funding and staff related to the Child Support Enforcement System (CSES).	
3.	<u>Public protection</u>	\$55,832,600
	Classified FTE positions	154.5
	Departments receiving services from this line item include: Attorney General, Civil Rights, DELEG, Corrections, Military and Veterans Affairs, and State Police. The appropriation also includes funding and staff related to the Michigan Public Safety Communications System (MPSCS).	
4.	<u>Resources services</u>	\$20,283,500
	Classified FTE positions	146.5
	Departments receiving information technology services through this line item included: Agriculture, Environmental Quality, and Natural Resources.	

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5.	<u>Transportation services</u>	\$31,739,300
	Classified FTE positions	89.5
	This line item funds services provided to the Department of Transportation. The services include application and systems development, hardware and software purchases, licensing, maintenance, network support, mainframe services, and radio tower services.	
6.	<u>General services</u>	\$98,027,300
	Classified FTE positions	331.5
	This line item supports information technology services to the Civil Service Commission, Department of Technology, Management, and Budget, Department of State, the Gaming Control Board, the State Lottery, and the Department of Treasury.	
7.	<u>Enterprise-wide information technology investment projects</u>	\$9,500,000
	This line item supports IT projects funded by the IT Investment Fund which provides support across all agencies. They include projects related to cyber security, data loss prevention, portfolio management, and the unified portal.	
8.	<u>General government and public safety information technology investment projects</u>	\$18,000,000
	This funding supports legacy related IT projects within all state agencies except the Department of Community Health and the Department of Human Services. These projects are identified and prioritized based on critical need. The basis for identifying the project as critical is if the failure to replace the system could result in:	
	<ol style="list-style-type: none"> <li>1. Loss of Life</li> <li>2. Compromise of public safety or justice</li> <li>3. Loss of outside funding</li> <li>4. Significant risk to the enterprise</li> <li>5. Federal or legislative mandate</li> </ol>	
9.	<u>MAIN system replacement information technology investment projects</u>	\$35,500,000
	This line item funds the development and implementation of the State of Michigan's new financial system . This system is currently in development and will eventually replace the current MAIN system in approximately FY 2018-19.	
10.	<u>Cyber security information technology investment projects</u>	\$2,000,000
	This line item was added in FY 2015-16 to provide additional funding for cyber security to further enhance the State's efforts to protect its data systems from cyber attack.	
11.	<u>Homeland security initiative/cyber security</u>	\$13,118,200
	Classified FTE positions	13.0
	This funding supports remediation of enterprise network risks, implementation of a Cyber Civilian Corps, expansion of the current cyber range, building a cyber-talent pool, and provides data loss prevention and penetration testing services. All of these measures are intended to keep the State's data systems secure from cyber attacks.	

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12.	<u>Michigan public safety communications</u>	\$40,094,800
	Classified FTE positions	100.0
	This line item supports DTMB's costs related to the development and maintenance of communication services provided to local, state, and federal agencies via the MPSCS as well as costs related to the lifecycle replacement of infrastructure and equipment.	
13.	<u>Enterprise identity management</u>	\$6,700,000
	Classified FTE positions	6.0
	This line item was added in FY 2016-17 to provide new funding and FTEs for the MiLogin program that will allow a single sign-on and identity management tool to enable the State to establish, manage, and authenticate user identities for all State IT systems.	
	<b>Unit Gross Appropriation</b>	<b>\$626,874,500</b>
	Interdepartmental grants	501,961,500
	Local revenue	2,223,300
	State general fund/general purpose	122,689,700

**Sec. 107 (5) STATEWIDE APPROPRIATIONS**

These professional development funds are created in the collective bargaining agreements with unions. The purpose of the professional development funds are to, "identify education, training and retraining needs for members; to explore existing education resources; and to publicize these resources to meet employee needs and encourage workers' participation." Each department contributes a certain amount per employee per union. This funding is shown as an IDG for these lines.

1.	<u>Professional development fund – AFSCME</u>	\$0
	The AFSCME professional development fund was established in FY 1989-90. It had a balance of \$161,000 at the close of FY 2014-15. This line item is not funded in FY 2016-17 per contract agreements but likely will be funded for new contract period beginning in FY 2017-18 that are currently being negotiated.	
2.	<u>Professional development fund – MPE, SEIU, scientific, and engineering unit</u>	\$0
	This professional development fund was established in FY 1989-90. It had a balance of \$141,700 at the close of FY 2014-15.	
3.	<u>Professional development fund – NEREs</u>	\$250,000
	This professional development fund was established in FY 1989-90. It had a balance of \$2,300 at the close of FY 2014-15.	

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4. Professional development fund – UAW \$700,000

This professional development fund was established in FY 1989-90. It had a balance of \$3,062,000 at the close of FY 2014-15.

**Unit Gross Appropriation** **\$950,000**

Interdepartmental grants 950,000

State general fund/general purpose 0

**Sec. 107 (6) SPECIAL PROGRAMS**

1. Building occupancy charges – property management services for executive/legislative building occupancy \$1,154,500

All funding supports costs associated with Executive BOC.

2. Retirement services \$28,724,900

Classified FTE positions 167.0

This line contains the appropriation for Retirement Services, which is responsible for the administration of retirement and pension benefits for current and past State employees as well as state military retirees under the National Guard. Duties include record keeping, providing actuarial information, and payment of benefits. This office is funded entirely by the pension trust funds and deferred compensation funds. The administration of retirement benefits is governed by acts establishing the four retirement systems:

- State Employees' Retirement Act of 1943, MCL 38.1 to 38.69
- Public School Employees Retirement Act of 1979, MCL 38.1301 - 38.1467
- State Police Retirement Act of 1986, MCL 38.1601 - 38.1648
- Judges Retirement Act of 1992, MCL 38.2101 - 38.2670
- Michigan Military Act of 1967, MCL 32.801 – 32.851

3. Office of children's ombudsman \$1,801,600

Classified FTE positions 14.0

Considered an independent office housed in the Department of Technology, Management, and Budget, the Office of the Children's Ombudsman was established in Public Act 204 of 1994, MCL 722.921 to 722.935. It monitors and ensures compliance with relevant statutes, rules, and policies pertaining to children's protective services and the placement, supervision, and treatment of children in foster care and adoptive homes. This Office works closely with the Department of Human Services.

4. Public Private Partnership \$1,500,000

Investments shall include but are not limited to capital asset improvements, energy resource exploration, financial and investment incentive opportunities, infrastructure construction, maintenance, and operation, and public-private sector joint ventures that provide an economic benefit to an area or the State.

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5.	<u>Regional Prosperity Grants</u>	\$2,500,000
	The Regional Prosperity Initiative is a voluntary competitive grant process that encourages local private, public and non-profit partners to create vibrant regional economies. The legislature approved the recommended process and the Regional Prosperity Initiative was signed into law as a part of the FY 2013-14 budget (59 PA 2013).	
6.	<u>Office of Urban Initiatives</u>	\$1,012,200
	Classified FTE positions	5.0
	The Office of Urban Initiatives focuses on economic impact and job growth initiatives respective to urban and metropolitan areas. Initiatives include transportation/infrastructure, public services, land use/sustainability, housing, and workforce/economic development. The Office works closely with the Michigan Economic Development Corporation, all state departments, non-profit foundations and business communities to establish policies and to create a strategic framework for urban economic development in Michigan.	
7.	<u>School Reform Office Operations</u>	\$2,318,300
	Classified FTE positions	11.0
	This office was created in FY 2013-14 by combining responsibilities previously integrated between other units, including the State Board of Education/Office of the Superintendent, Professional Preparation Services, and the Bureau of Assessment and Accountability. The School Reform Office supervises the lowest achieving five percent of schools in the State, designated as "Priority Schools" by the Federal ESEA flexibility request. The Office is responsible for:	
	<ul style="list-style-type: none"> <li>• Establishing policies and procedures for rapid turnaround in Priority Schools.</li> <li>• Coordinating reform efforts for Priority Schools across the Department of Education to ensure thorough integration of activities and monitoring of schools.</li> <li>• Strengthening teacher effectiveness in Priority Schools.</li> <li>• Developing policies and strategies to support effective school leaders in Priority Schools.</li> <li>• Identifying, advocating and recommending policies that ensure the reallocation of academic and financial resources to support the implementation of school redesign plans.</li> <li>• Identifying and developing tools and resources to ensure schools implement effective school redesign plans.</li> </ul>	
	Executive Order 2015-9 transferred the School Reform Office Operations from the Department of Education to DTMB. The office was retained in DTMB in the FY 2015-16 budget.	
	<b>Unit Gross Appropriation</b>	<b>\$39,011,500</b>
	State restricted revenue	24,848,100
	State general fund/general purpose	14,163,400

**Sec. 107 (7) STATE BUILDING AUTHORITY RENT**

The State Building Authority is authorized to issue and sell bonds and notes for the acquisition and construction of facilities and state equipment. The debt service on the bonds is payable from lease revenue paid by the State pursuant to provisions of the leases. Appropriations for this lease revenue are contained in this line item.

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The SBA Rent program was moved from the Capital Outlay budget to the General Government budget in the FY 2005-06 budget to deal with timing issues associated with the delayed enactment of the capital outlay budget and the need to make SBA Rent payments on October 1<sup>st</sup> of each year. Payments are made by the State for projects as follows:

1. State building authority rent - state agencies	\$49,665,800
2. State building authority rent - department of corrections	\$21,029,900
3. State building authority rent – universities	\$144,995,300
4. State building authority rent - community colleges	\$30,879,600

<b>Unit Gross Appropriation</b>	<b>\$246,570,600</b>
State general fund/general purpose	246,570,600

**Sec. 107 (8) CIVIL SERVICE COMMISSION**

Article XI, Section 5 of the Michigan Constitution established the Civil Service Commission and the State classified civil service. This section empowers the Civil Service Commission to determine the classification, compensation, qualification, and regulation of all positions in the classified civil service. The Commission appoints the State Personnel Director to carry out these responsibilities.

The Constitution also provides for appropriations to the Commission in order to perform these duties. “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.” The Department historically does not request the full 1% of aggregate payroll for its operations.

Executive Order 2007-30 transferred all functions and duties of the Civil Service Commission in the former Department of Civil Service to the Department of Technology, Management, and Budget in May, 2007.

1. <u>Agency Services</u>	\$13,103,100
Classified FTE positions.	74.0

This line item supports human resource services for State government. This includes position development, classification evaluation, employee recruitment, assessment, and the Human Resources Management Network (HRMN).

2. <u>Executive Direction</u>	\$8,894,300
Classified FTE positions.	40.0

This line item supports administrative services including Human Resources, Financial Services, Office of General Counsel, Hearings and Legal Services, and the Office of Compliance.

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3.	<u>Employee Benefits</u>	\$5,704,000
	Classified FTE positions.	16.0
	<p>Executive Order 2002-13 transferred administration of the employee benefits, health screening and awareness, and quality recognition systems to the Department of Civil Service from the Office of the State Employer in the Department of Management and Budget in August 2003. With the development of HRMN, it was determined that the programs would be better suited to the Civil Service Commission.</p>	
4.	<u>Training</u>	\$0
	<p>This funding supports agency-specific and general training for State classified employees. State departments pay for services provided to support the interdepartmental grant to the Civil Service Commission.</p> <p>Per contract agreement for FY 2016-17, no funding for training is appropriated in this fiscal year and will be an item of discussion for negotiations for FY 2017-18.</p>	
5.	<u>Human Resources Operations</u>	\$38,463,100
	Classified FTE positions	320.0
	<p>This line item supports the consolidation of certain human resources functions that were previously included in individual departmental budgets and transferred to the Civil Service Commission when the former Department of Civil Service was transferred to the Department of Technology, Management, and Budget as an autonomous agency via Executive Order 2007-30 in May 2007.</p>	
6.	<u>Information Technology Services and Projects</u>	\$3,354,300
	<p>Executive Order 2001-3 created the new Department of Information Technology (DIT). In FY 2002-03, 27.0 FTEs were initially transferred to DIT from the Department of Civil Service. The funding for information technology is appropriated in the originating department and received in DIT as an interdepartmental grant from user charges.</p> <p>Executive Order 2009-55 combined DIT with the Department of Management and Budget to form the now Department of Technology, Management, and Budget (DTMB). The funding is appropriated in the originating department and received in DTMB as an interdepartmental grant from user charges.</p>	
	<b>Unit Gross Appropriation</b>	<b>\$69,518,800</b>
	State restricted revenue	47,934,900
	State general fund/general purpose	21,583,900

**Sec. 107 (9) CAPITAL OUTLAY**

1.	<u>Major special maintenance, remodeling and addition for state agencies</u>	\$2,000,000
	<p>Funding in this line item is used for large maintenance and remodeling projects in buildings managed by the department. FY 2008-09 was the first year that this line item was funded in DTMB.</p>	
2.	<u>Enterprisewide special maintenance for state facilities</u>	\$26,000,000
	<p>Funding in this line item is used for special maintenance projects that are non-recurring, and can include light renovation, remodeling, and additions as well as</p>	

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other upgrades and replacements. Typical examples of special maintenance projects are roofs, boiler/HVAC replacements, windows/doors, ADA compliance, energy efficiency lighting/controls, etc. Projects that fall into this category are typically too big for an agency to fund out of operating funds, but not big enough or of sufficient scale to be bonded via the State Building Authority. FY 2012-13 was the first year that this line item was funded in DTMB.

<b>Unit Gross Appropriation</b>	<b>\$28,000,000</b>
Interdepartmental grants	2,000,000
State general fund/general purpose	26,000,000

**Sec. 107(10) ONE-TIME BASIS ONLY APPROPRIATIONS**

- |    |  |             |
|----|--|-------------|
| 1. | <u>Legal services</u>  | \$5,000,000 |
|    | This one-time funding of \$5.0 million is used for litigation costs anticipated by the Department to be incurred in FY 2016-17. This is an increase of \$4.0 million from the one-time funding provided in FY 2015-16. These funds could be used for legal costs associated with the Declaration of Emergency Due to Drinking Water Contamination as well as other anticipated legal costs for the Department. |             |
| 2. | <u>Information technology investment fund one-time augmentation</u>  | \$4,500,000 |
|    | There is \$4.5 million in one-time funding provided for IT projects in two specific areas...\$2.0 million for the Department of Treasury to replace their legacy system and \$2.5 million for the SIGMA Project to leverage the MiLogin capabilities explained above in the Enterprise Identity Management line item.  |             |
| 3. | <u>Enterprisewide special maintenance for state facilities</u>   | \$1,600,900 |
|    | This one-time funding of \$1.6 million is used in FY 2016-17 for one-time maintenance projects on State-owned facilities across Michigan.  |             |
| 4. | <u>Office of retirement services information technology modernization and enterprise mandates</u>  | \$2,850,000 |
|    | This one-time funding of \$2.9 million will be used for mandated upgrades required by retirement statute changes as well as increased support costs.   |             |
| 5. | <u>Special projects</u>  | \$250,000   |
|    | This one-time funding totaling \$250,000 will be distributed for special projects to be determined by the State Budget Director at a later date. The projects are unspecified as the actual expenditure of funds will be dependent on the availability of the funds closer to the end of the 2016-17 fiscal year.  |             |

<b>Unit Gross Appropriation</b>	<b>\$14,200,900</b>
State restricted revenue	2,850,000
State general fund/general purpose	11,350,900

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**PART 2: BOILERPLATE DETAIL**

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<b>Section Number</b>	<b>Description and History</b>
801	<p><b><u>Contingency Funds.</u></b> Authorizes contingency funds. Requires legislative transfers prior to expenditure. Authorizations for the fiscal year may not exceed the following amounts: \$4.0 million for Federal; \$8.0 million for State restricted; \$150,000 for local funds; and \$100,000 for private funds.</p> <p><b>Background:</b> Included in the budget beginning in FY 2007-08.</p>
802	<p><b><u>Auction Proceeds.</u></b> Provides for the appropriation of proceeds from property transfers or auctions of State surplus to the Department for the purpose of offsetting costs in the acquisition and distribution of Federal surplus.</p> <p><b>Background:</b> This section was first included in the late 1980's. Proceeds from the sale of State warehouse surplus may cover the deficits of the Federal warehouse. Beginning in FY 2010-11, additional language requires DTMB to provide consolidated internet auction services through the State's contractors for all local units of government.</p>
803	<p><b><u>DTMB Services.</u></b> Provides for receipt and expenditure of funds for services provided to departments, the Judiciary, the Legislature, or private tenants. (1) Maintenance and Operation, (2) Design and Construction, (3) Mail Services, (4) Purchasing Services.</p> <p><b>Background:</b> This section allows receipt of payments from State departments above and beyond appropriations. Related to special or extended services requested of the Department by other State departments. Subsections (1) and (2) are used the most frequently through Building Operation Services and Design &amp; Construction.</p>
804	<p><b><u>Statewide Appropriations for Employee Programs.</u></b> Provides for receipt and expenditure of funds for programs as specified in joint labor/management agreements or through the coordinated compensation hearings process. Provides for carry forward of funds.</p> <p><b>Background:</b> These accounts are managed through the Office of the State Employer. Billing to State departments for contributions to a fund is based on the number of employees from a particular union in each department.</p>
805	<p><b><u>Special Revenue and Internal Service Funds.</u></b> Provides for appropriations financed from special revenue, internal service, pension trust funds or MAIN user charges not to exceed aggregate amounts appropriated in Part 1.</p> <p><b>Background:</b> This section ensures that the Department has the authority to accept revenue from restricted fund sources as appropriated. This section was initiated over confusion of whether the Department could accept funds from the Michigan Veterans Trust Fund.</p>
806	<p><b><u>Administrative Leave Bank.</u></b> Provides for receipt, expenditure, and transfer to and from other departments to implement administrative leave bank transfers.</p> <p><b>Background:</b> This section is related to collective bargaining. It provides a mechanism for employees to donate annual leave for other State employees to use. People are not compensated for donating their leave. In the administrative leave process, a department charges the Department of Technology, Management, and Budget an amount to cover the leave of the chief state employee from that bargaining unit when that person is absent for union activities. The administrative leave bank pays for it.</p>

**DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET\***  
**PART 2: BOILERPLATE DETAIL**

**2016 PA 268, Article VIII**

<b>Section Number</b>	<b>Description and History</b>
807	<p><b><u>MAIN Charges.</u></b> Provides that the Michigan Administrative Information Network (MAIN) shall be funded by charges against State funds benefiting from MAIN.</p> <p><b>Background:</b> Permits the department to bill State departments to cover costs of MAIN and allows receipt of restricted funds for this purpose. Amounts are determined by Statewide Cost Allocation Plan (SWCAP). A listing of MAIN costs by department is available.</p>
808	<p><b><u>Building Occupancy and Parking Charges.</u></b> (1) Provides for collection of deposits against the interdepartmental grants from building occupancy and parking charges for State agencies, the Legislature, and the Judiciary. (2) Provides for returning excess revenue collected.</p> <p><b>Background:</b> This function is performed through the Office of Facilities. The Department uses building occupancy and parking charges from previous fiscal years to estimate the next fiscal year's charges. This section allows the Department to return any overpayment of previous fiscal year funds to the originating fund sources.</p>
809	<p><b><u>Computer Contract Adjustments.</u></b> Requires quarterly notification to the Legislature, the fiscal agencies, and the State Budget Director on computer contract revisions that increase or decrease by more than \$500,000.</p> <p><b>Background:</b> The Legislature is not involved in the contract approval process, but it can put conditions and restrictions on the process. These contracts are approved by the State Administrative Board. There are 6-12 such contracts a year. This section was added through legislative initiative. In FY 2004-05 the language was expanded to include contract revisions that decrease current contracts by more than \$500,000. In FY 2015-16 the language was amended to require the report to be submitted to the Legislature quarterly and removed language stating that the report be submitted at least 14 days prior to finalization of the revisions. In FY 2016-17 language was added requiring the notification also to be sent to the House and Senate Fiscal Agencies and the State Budget Director.</p>
810	<p><b><u>Requests for Proposals-Website.</u></b> Requires the Department of Technology, Management, and Budget to maintain an Internet website that contains notice of all invitations to bid (ITB) and requests for proposals (RFP) over \$50,000. Prohibits the Department from accepting an invitation for bid or request for proposal less than 14 days after the request was made available on the website. Allows for certain exceptions. The Department may advertise in any manner that maximizes opportunities for organizations to bid.</p> <p><b>Background:</b> This section was first included in FY 1999-2000. The Office of Purchasing was already doing much of this, with two differences: (1) In order to comply with this section, departments must notify the Office of Purchasing of such RFP's so they can be posted appropriately, and (2) a full 14 days' notice on the website was not always completed.</p>
811	<p><b><u>Vietnam Veterans Memorial Monument Fund.</u></b> Authorizes the Department to receive and expend funds from the Vietnam Veterans Memorial Monument Fund as provided in the Michigan Vietnam Veterans Memorial Act, 1988 PA 234. Funds are appropriated and allocated upon receipt.</p> <p><b>Background:</b> This section was first included in FY 2002-03.</p>

**DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET\***  
**PART 2: BOILERPLATE DETAIL**

**2016 PA 268, Article VIII**

<b>Section Number</b>	<b>Description and History</b>
812	<p><b><u>Michigan Veterans Memorial Park Commission.</u></b> Authorizes the Commission to receive and expend money, including gifts, grants, donations, and appropriations, for the purposes described in Executive Order 2001-10, which established the Commission. Designates the funds as restricted revenue and allows them to be carried forward to the next fiscal year.</p> <p><b>Background:</b> This section was first included in FY 2002-03. Executive Order 2001-10 charged the Commission with advising on the development, management, and maintenance of the Memorial Park, including operations, security, preservation, and State activities.</p>
813	<p><b><u>Motor Vehicle Fleet.</u></b> Administration of the State Motor Vehicle Fleet. Requires the Department of Technology, Management, and Budget to complete a project plan based on needs and cost savings to achieve the maximum value and efficiency from the State motor fleet. The Plan shall include the number of vehicles assigned to departments and agencies, efforts to reduce vehicle expenditures, the number of cars in the Fleet, the amount of State fuel tax that would have been incurred by Fleet vehicles if they were required to pay the tax, and information on Fleet garage operations. Requires annual report to the Legislature. Provides that revenue in excess of appropriations and unencumbered funds are restricted revenues and may be carried over to the succeeding fiscal year. Requires annual report on the status of the project plan. Finally, new language added in FY 2014-15 states that once notification is made to the House and Senate standing committees on appropriations, spending authorization and the IDG from the Motor Transport Fund in DTMB may be adjusted to ensure that the appropriations for the motor vehicle fleet equals the expenditures for motor vehicle fleet in the budgets for all executive departments and agencies.</p> <p><b>Background:</b> First included in FY 2003-04. Language regarding carry forward and use of driver records was added in FY 2004-05. The language was modified in FY 2005-06 by requiring reporting on the number of miles driven, gallons of fuel consumed, fleet garage operations, and requiring DMB to develop a plan for the number of vehicles authorized for use by State departments and agencies. The language was again modified in FY 2006-07 to reflect the continuation of a plan for the operation of the Motor Vehicle Fleet. A new provision was also added in P.A. 153 of 2006 that authorizes DMB to charge State agencies for fuel costs that exceed \$3.04 per gallon. Language requiring the use of remanufactured parts for repairs was added in FY 2011-12 and deleted in FY 2015-16. In FY 2016-17 the State Budget Director was added to the list of recipients of the annual report on the status of the project plan.</p>
814	<p><b><u>Enterprisewide IT Investments.</u></b> Requires the Department to develop a plan regarding the use of funds appropriated in Part 1 for the Enterprisewide IT Investments program. Language was expanded in FY 2014-15 to require the Department to notify the Legislature and the fiscal agencies when an IT investment project will require the transfer of \$500,000 or more from another project</p> <p><b>Background:</b> First included in FY 2010-11. In FY 2016-17 the State Budget Director was added to the list of recipients of the notification.</p>
814a	<p><b><u>IT Investment Program Expansion.</u></b> Requires the Department to use any increase in funding for the program to be used for the modernization of state IT systems, improvement of the State's cyber security framework, and to achieve efficiencies.</p> <p><b>Background:</b> First included in FY 2015-16. As cyber security issues become more of a concern, the State is finding that additional resources are needed to keep the State's IT information secure.</p>

**DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET\***  
**PART 2: BOILERPLATE DETAIL**  
**2016 PA 268, Article VIII**

<b>Section Number</b>	<b>Description and History</b>
816	<p><b><u>Privatization RFP Factors.</u></b> Language stipulates that DTMB shall include factors that will be used to evaluate and determine price related to requests for proposals issued for the purpose of privatization.</p> <p><b>Background:</b> First included in FY 2011-12.</p>
818	<p><b><u>Michigan Law Enforcement Officers Memorial Act.</u></b> Authorizes DTMB to receive and expend funds for the Monument Fund pursuant to 2004 PA 177.</p> <p><b>Background:</b> First included in FY 2004-05.</p>
820	<p><b><u>State Property.</u></b> Requires DTMB to make available to the public on the Internet, a list of all parcels of real estate that are available for purchase from the State.</p> <p><b>Background:</b> First included in FY 2005-06.</p>
821	<p><b><u>Space Consolidation.</u></b> Requires the Department to develop a plan regarding the use of space consolidation funds and report annually to the Legislature.</p> <p><b>Background:</b> First included in FY 2011-12.</p>
822	<p><b><u>Unclassified Salaries.</u></b> Requires the Department to compile a report by January 1 pertaining to the salaries of unclassified employees and gubernatorial appointees.</p> <p><b>Background:</b> First included in FY 2009-10. Language modified in FY 2015-16 to remove online posting requirement of the report.</p>
822b	<p><b><u>Public-Private Partnership Investment Fund.</u></b> Language moved from Treasury into DTMB in FY 2013-14 that creates the Public-Private Partnership Investment Fund. Investments shall include but are not limited to capital asset improvements, energy resource exploration, financial and investment incentive opportunities, infrastructure construction, maintenance, and operation, and public-private sector joint ventures that provide an economic benefit to an area or the State. Prohibits public-private investments from being used for projects, consultant expenses, staff effort, or any other activity related to the development, financing, construction, operation, or implementation of the Detroit River International Crossing (DRIC) or any successor project unless the project is approved by the Legislature and signed into law.</p> <p><b>Background:</b> First included in FY 2013-14.</p>
822c	<p><b><u>Prohibition against use of State Funds for International Bridge.</u></b> Prohibits the use of any funds from Part 1 to be used for any staff efforts, projects, consultant expenses, or any other activity related to the development, financing, construction, operation, or implementation of the DRIC or any successor project.</p> <p><b>Background:</b> First included in FY 2011-12.</p>
822d	<p><b><u>DTMB Fees and Rates.</u></b> New language requires the Department to provide a report to the Legislature by December 31, 2014, that identifies fee and rate schedules to be used by State departments and agencies for services and must include an explanation of the factors that justify each fee and rate increase.</p> <p><b>Background:</b> First included in FY 2014-15.</p>

**DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET\***  
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Section Number	Description and History
822e	<p><b><u>Legacy Costs.</u></b> This language lists the authorized amount of the appropriations in Part 1 that may be used for legacy costs as well as an estimate of the amount of pension-related legacy costs. For FY 2016-17 pension-related legacy costs are estimated at \$43,795,600 and retiree health care legacy costs are estimated at \$35,166,400.</p> <p><b>Background:</b> First included in FY 2014-15.</p>
822f	<p><b><u>Regional Prosperity Grant Requirements.</u></b> Language describes the qualification process for the new proposed Regional Prosperity Grant Program. The Regional Prosperity Initiative is a voluntary competitive grant process that encourages local private, public and non-profit partners to create vibrant regional economies. The legislature approved the recommended process and the Regional Prosperity Initiative was signed into law as a part of the FY 2013-14 budget (59 PA 2013). This boilerplate language stipulates the requirements for qualification to receive funding as a regional prosperity collaborative, a regional prosperity council, or a regional prosperity board.</p> <p><b>Background:</b> First included in FY 2013-14. One-time funding of \$2.5 million was included in FY 2013-14 and \$1.0 million in FY 2014-15. Funding is moved to the ongoing section of the budget (Part 1) and is funded at \$2.5 million in FY 2016-17.</p>
822g	<p><b><u>Legal Services Fund Expenditure Report.</u></b> Requires an annual report to the Legislature on legal services fund expenditures by case, purpose, and department involved.</p> <p><b>Background:</b> First included in FY 2014-15. Language was modified in FY 2015-16 to change reporting requirement from quarterly to annually.</p>
822h	<p><b><u>Report for Office of Urban Initiatives.</u></b> New language requires a report by April 15 to the Legislature and the fiscal agencies on the expenditures for the office of urban initiatives. The report shall provide information detailing the economic impact and job growth initiatives for each urban and metropolitan area receiving funds under part 1.</p> <p><b>Background:</b> First included in FY 2015-16. In FY 2016-17 the State Budget Director was added to the list of recipients of the annual report.</p>
822i	<p><b><u>School Reform Office.</u></b> New language per E.O. 2015-9 provides stipulations for schools placed in a School Reform/Redesign school district as well as protecting students with individualized education programs.</p> <p><b>Background:</b> First included in FY 2015-16.</p>
822j	<p><b><u>Office of Good Government.</u></b> Language states that the funds appropriated in Part 1 shall be used to expand the Office and to broaden the office's support of transformative good government initiatives.</p> <p><b>Background:</b> First included in FY 2016-17. The Office of Good Government was transferred to the Office of Performance and Transformation (OPT) via Executive Order 2016-4. The Office of Good Government is an entity within the OPT. The OPT is responsible for the systematic review and coordination of the State's regulatory, business, and customer service environments and processes as well as coordination and implementation of performance management metrics, service optimization efforts, employee engagement programs and protocols, and change management and leadership education and training.</p>

**DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET\***  
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**2016 PA 268, Article VIII**

Section Number	Description and History
822k	<p><b><u>Hawthorn Center Appraisal.</u></b> Language requires DTMB to work with the Department of Health and Human Services on an appraisal of state-owned lands and buildings at the Hawthorn Center Psychiatric Hospital Facility for Children and Adolescents. The Department also must create a proposal for possible replacement of the facility and submit the appraisal and proposal to the legislature by March 1, 2017.</p> <p><b>Background:</b> First included in FY 2016-17.</p>
822l	<p><b><u>School Reform Office Public Hearings.</u></b> Language requires the School Reform Office to hold at least one public hearing in the school district that the Office is considering for placement of a CEO or dissolution of the school district.</p> <p><b>Background:</b> First included in FY 2016-17. This language resulted from the enacted Detroit School Reform package to ensure the affected school district residents are informed prior to the dissolution or placement of a CEO in that school district.</p>
822m	<p><b><u>Tracking Performance of Vendors. Senate:</u></b> Language states that the Department shall establish a system that collaborates with other departments to track the performance of vendors who are awarded contracts through the procurement process.</p> <p><b>Background:</b> First included in FY 2016-17 as a means to measure the performance of vendors awarded contracts as a basis of being able to determine future awards to those vendors.</p>
822n	<p><b><u>Placement of all Contract Proposals on Department Website.</u></b> Language requires the Department to establish a publically accessible portal on the Department's website that displays all contract proposals for all State departments and agencies.</p> <p><b>Background:</b> First included in FY 2016-17 to create a means for searching and locating all RFP's submitted to the State.</p>
822o	<p><b><u>School Reform Office Coordination with Department of Education.</u></b> Language requires the School Reform Office to coordinate with the Department of Education to streamline State services and resources, reduce duplication, and increase efficiency.</p> <p><b>Background:</b> First included in FY 2016-17.</p>

**INFORMATION TECHNOLOGY**

823	<p><b><u>State Website.</u></b> (1) Provides authority for the DTMB to sell and accept paid advertising, review and approve content of advertisement, and refuse or require modification to advertisements. Up to \$250,000 in revenue received under this section can be used for operating costs of the Department and technology enhancements. Funds in excess of \$250,000 are deposited in the State General Fund. (2) Authorizes the Department to accept gifts, donations, contributions, bequests, and grants to support cost of State website pages or services offered on website. (3) Funds from part 1 are appropriated when received and the Department must notify the Legislature within 10 days after the approval is given.</p> <p><b>Background:</b> This section was first included in FY 2001-02.</p>
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**DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET\***  
**PART 2: BOILERPLATE DETAIL**  
**2016 PA 268, Article VIII**

Section Number	Description and History
824	<p><b><u>Spatial Information and Technical Services.</u></b> Allows the DTMB to enter into agreements to supply spatial information and technical services to other departments, local units of government, and organizations. Provides for receipt and expenditure of funds relating to providing services, publications, maps, and other products in addition to amounts appropriated in Part 1. Includes reporting requirement to the General Government Subcommittees on revenues and expenditures.</p> <p><b>Background:</b> The listed services are provided by the Michigan Information Center. The Center operates from an internal service fund. It also provides these services to the public and municipalities. Reporting requirement added in FY 2004-05. In FY 2016-17 the State Budget Director was added to the list of recipients of the report.</p>
825	<p><b><u>MAIN Access.</u></b> Provides for access to data contained within MAIN for the Legislature and State departments.</p> <p><b>Background:</b> This section was first included when MAIN was implemented to guarantee access for the Legislature.</p>
826	<p><b><u>Information Technology-Definitions.</u></b> Defines information technology services as services involving all aspects of managing and processing information and lists examples including: "Cyber Security", "Social Media", and "Wireless Networking".</p> <p><b>Background:</b> This section restates a portion of Executive Order 2001-3 which created the Department.</p>
827	<p><b><u>Michigan Public Safety Communications System (MPSCS).</u></b> Provides that money appropriated in Part 1 for the MPSCS shall be expended upon approval of an expenditure plan by the State Budget Director. Requires IT to assess subscribers of the system reasonable access and maintenance fees. Money received under this section shall be deposited into the Michigan Public Safety Communications System Fund and expended for support and maintenance of the MPSCS. Also includes a reporting requirement on revenue received and allows the carry forward of funds into succeeding fiscal years.</p> <p><b>Background:</b> This language was previously contained in the Department of State Police budget. Prior to FY 2005-06, revenue received from access and maintenance fees was deposited in the State General Fund. Previously, the report was due on April 15 and October 15 of each year but requirement changed to April 15 only beginning in FY 2015-16. This section was amended in FY 2016-17 to require deposit of fees into the Michigan Public Safety Communications System Fund and added new language allowing for the carry forward of funds into succeeding fiscal year.</p>
828	<p><b><u>Annual Report.</u></b> Requires an annual report from the DTMB that lists the total amount of funding appropriated and corresponding expenditures for information technology services and projects by funding source for all departments and agencies.</p> <p><b>Background:</b> First included in FY 2003-04.</p>
829	<p><b><u>Life-Cycle of Hardware and Software.</u></b> Requires the DTMB to provide a report by March 1, which analyzes and makes recommendations on the life-cycle of information technology hardware and software.</p> <p><b>Background:</b> First included in FY 2003-04.</p>

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**2016 PA 268, Article VIII**

<b>Section Number</b>	<b>Description and History</b>
830	<p><b><u>Contract Reporting Requirement.</u></b> Requires a report by December 31 on all follow-on contracts and change orders entered into by the Department greater than \$50,000 beginning in FY 2008-09.</p> <p><b>Background:</b> First included in FY 2008-09.</p>
831	<p><b><u>ICT Innovation Fund.</u></b> Language stipulates that the Information, Communications, and Technology (ICT) Innovation Fund shall be administered by the Department for the purpose of providing a revolving, self-sustaining resource for financing ICT innovation projects for state agencies, local units of government, educational institutions, and nonprofit organizations, in addition to permitting outside contributions to the fund and carry forward of money within the fund. A new provision is added in FY 2014-15 that makes the language ineffective if legislation is adopted that provides for the administration and use of the fund.</p> <p><b>Background:</b> First included in FY 2011-12.</p>
832	<p><b><u>Child Support Enforcement System Report.</u></b> Requires the Department to notify the Senate and House General Government Subcommittee and the fiscal agencies within 30 days of any potential penalties assessed by the federal government for failure of the program to achieve certification from the federal government. If penalties are assessed the Department must submit a report to the subcommittees and fiscal agencies within 90 days specifying the Department's plan to avoid the penalties and ensure certification of the program by the federal government.</p> <p><b>Background:</b> First included in FY 2005-06.</p>
833	<p><b><u>Legislative Transfers.</u></b> Provides for an automatic appropriation of an equal amount of user fees in the Department's budget for any transfer to or from the information technology line item within an agency budget to reflect the increase or decrease. Also provides for adjustments for initial appropriations.</p> <p><b>Background:</b> First included in FY 2007-08. Modified in 2008-09 to account for initial appropriations. Departmental transfers were not being reflected in the IT budget.</p>
834	<p><b><u>Antenna Site Management Fund.</u></b> Creates the fund and provides for the deposit of revenue and expenditures. Funds remaining at the end of the fiscal year shall be transferred to the appropriate state restricted funds. Language also prohibits an antenna from being placed on any site unless it complies with the respective local zoning codes and local unit of government processes.</p> <p><b>Background:</b> First included in the DTMB budget in FY 2008-09 and was previously included in the Capital Outlay budget.</p>
835	<p><b><u>Census-Related Services.</u></b> Appropriates funds collected for census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products. Provides carry-forward authorization.</p> <p><b>Background:</b> First included in FY 2009-10.</p>
836	<p><b><u>Modernization of State IT Systems.</u></b> Language states that the increased funding shall be used to modernize the State's IT systems and integrate State system interfaces to improve customer service.</p> <p><b>Background:</b> First included in FY 2016-17.</p>

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**2016 PA 268, Article VIII**

<b>Section Number</b>	<b>Description and History</b>
837	<p><b><u>Cyber Security System Improvements.</u></b> Language states that the increased funding for cyber security shall be used to increase cyber security by developing a comprehensive security framework.</p> <p><b>Background:</b> First included in FY 2016-17 to ensure that the additional funds for cyber security are used for that purpose.</p>
838	<p><b><u>Enterprise Identity Management (MiLogin).</u></b> Language states that the funds for the enterprise identity management program shall be used to expand the enterprise identity management program to provide an enterprisewide single sign-on and identity management tool.</p> <p><b>Background:</b> First included in FY 2016-17 to coincide with the funding in Part 1 for the implementation of the MiLogin program.</p>
839	<p><b><u>Office of Retirement Services.</u></b> Language requires the increased funding to be used for expanding the Office's IT capability so as to provide a 90% customer contact satisfaction level.</p> <p><b>Background:</b> First included in FY 2016-17.</p>
<b>STATE BUILDING AUTHORITY RENT</b>	
842	<p><b><u>State Building Authority - Insurance.</u></b> Provides that appropriations in Part 1 may be used to pay insurance premiums and deductibles. Appropriates any shortage from the General Fund.</p> <p><b>Background:</b> First included in FY 2005-06. Section was previously in the Capital Outlay Budget.</p>
<b>CIVIL SERVICE</b>	
850	<p><b><u>One Percent Charges.</u></b> Provides that 1% from restricted funds for the Civil Service Commission be assessed on actual 1% restricted sources total aggregate payroll of classified service for the preceding fiscal year. Authorizes the Department, with the approval of the State Budget Director, to adjust 1% financings sources based on actual payroll expenditures.</p> <p><b>Background:</b> Specific restricted funding sources were previously listed, but the list was not exhaustive and some funds were not collected. The introduction of MAIN allowed for a boilerplate change to give the criteria of those sources paying the 1% in order to include as many restricted sources as possible. The provision regarding adjusting sources of financing was first included in FY 2005-06.</p>
851	<p><b><u>Restricted Financing Shortfalls.</u></b> Provides that shortages shall be taken from carry forward balances of the funding sources used for payroll. Gives priority to expenses in the originating department over the Civil Service Commission. Provides that General Fund dollars are appropriated for any shortfall in 1% restricted resource assessments for aggregate payroll of the classified Civil Service.</p> <p><b>Background:</b> This mechanism has been in place for about 20 years. The Commission has not used it the last few years since it is not receiving the full 1% funding level. It provides for shortages in fund sources to be taken from carry-forward balances. If a carry-forward balance is not available, then the originating department has priority over the Civil Service Commission. The Department of Technology, Management, and Budget just credits the Civil Service Commission account with General Fund dollars for the amount of the shortfall of the Restricted fund source. The amount lapses back into the General Fund from the Civil Service Commission.</p>

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852	<p><b><u>Flexible Spending Account Program.</u></b> Enables the Civil Service Commission to deposit money into the State Sponsored Group Insurance, Flexible Spending Accounts, and COBRA Fund. Unspent money from the flexible spending accounts portion of the Fund would be used to offset the costs of administering the Flexible Spending Account program. Any remaining balance of unspent employee contributions will lapse to the General Fund.</p> <p><b>Background:</b> Departments realize a small savings when employees choose to participate in the flexible spending accounts. The Civil Service Commission charges a department for the necessary administrative costs and takes the expenses out of its savings. Any lapse to the General Fund is negligible since the Commission only charges enough to cover administrative costs. The program was transferred from the former Department of Management and Budget to the former Department of Civil Service by Executive Order 2002-13.</p>
<b>CAPITAL OUTLAY</b>	
860	<p><b><u>Definitions.</u></b> Provides various definitions contained in the appropriation act.</p> <p><b>Background:</b> First included in FY 2008-09.</p>
861	<p><b><u>Capital Outlay Processes, Procedures, and Reports.</u></b> Refers to capital outlay project requirements under 1984 PA 431 (Management and Budget Act).</p> <p><b>Background:</b> First included in FY 2008-09.</p>
862	<p><b><u>Required Reports.</u></b> Requires that DTMB provide various detailed reports to JCOS and fiscal agencies with status of each planning or construction project financed with SBA funds.</p> <p><b>Background:</b> First included in FY 2008-09.</p>
864	<p><b><u>Capital Outlay Funding Carry Forward.</u></b> Authorizes carry forward of capital outlay appropriations consistent with Section 248 of Management and Budget Act.</p> <p><b>Background:</b> First included in FY 2008-09.</p>
865	<p><b><u>Site Preparation Economic Development Fund.</u></b> Establishes Site Preparation Economic Development Fund in DTMB; proceeds from sale of designated sites to be deposited into fund. Authorizes \$25.0 million cash advance from GF/GP to fund. Also, an annual report must be submitted to the House and Senate standing committees on appropriations by December 31 of each year.</p> <p><b>Background:</b> First included in FY 2008-09.</p>
867	<p><b><u>Farnum Building Sale Proceeds.</u></b> New language requires the proceeds from the sale of the building to be appropriated to the Department in accordance with any legislation that is enacted that authorizes the sale. If the net proceeds from the sale of the Farnum building are less than the \$7.0 million authorized in FY 2014-15 under Section 896 for Senate relocation costs, then the difference between the net sale proceeds and \$7.0 million shall be appropriated by the Legislature to the Department.</p> <p><b>Background:</b> This language was added in FY 2015-16 to ensure that previously appropriated funds that are not spent on relocation costs are returned to the Department and not spent elsewhere.</p>

**DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET\***  
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<b>Section Number</b>	<b>Description and History</b>
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**CAPITAL OUTLAY – UNIVERSITIES AND COMMUNITY COLLEGES**

873     **Community College Requirements.** Provides that community college projects shall be no more than 50% State funded and 50% locally funded. State funds shall not be released unless all requirements under the appropriation bill have been met.

**Background:** First included in FY 2010-11. Beginning in FY 2010-11, this section was moved into a new sub-heading for universities and community colleges.

874     **State Funds in Proportion to Matching Funds.** States that if matching funds received are less than the appropriated amounts, State funds shall be reduced in proportion to the amount of matching funds received.

**Background:** First included in FY 2010-11. Beginning in FY 2010-11, this section was moved into a new sub-heading for universities and community colleges.

875     **Documentation Regarding Project Match.** Allows the Department Director to require community colleges and universities with authorized projects to submit documentation regarding the project match and that if that documentation is not submitted, the project authorization may terminate unless the JCOS convenes to extend the authorization.

**Background:** First included in FY 2010-11. Beginning in FY 2010-11, this section was moved into a new sub-heading for universities and community colleges.