

**THE MANAGEMENT AND BUDGET ACT (EXCERPT)**  
**Act 431 of 1984**  
Article 1

**18.1101 Short title.**

Sec. 101.

This act shall be known and may be cited as "the management and budget act".

**History:** 1984, Act 431, Eff. Mar. 29, 1985

**Popular Name:** Act 431

**Popular Name:** DMB

**18.1111 Meanings of words and phrases.**

Sec. 111.

For purposes of this act, the words and phrases defined in sections 112 to 115 have the meanings ascribed to them in those sections. These definitions, unless the context requires otherwise, apply to use of the defined terms in this act. Other definitions applicable to specific articles or sections of this act are found in those articles or sections.

**History:** 1984, Act 431, Eff. Mar. 29, 1985

**Popular Name:** Act 431

**Popular Name:** DMB

**18.1112 Definitions; A, B.**

Sec. 112.

(1) "Appropriation" means the legislative authorization for expenditure or obligation of money from a state operating fund.

(2) "Appropriations committees" means the appropriations committee of the senate and the appropriations committee of the house of representatives.

(3) "Board" means the state administrative board.

(4) "Budget act" means an act containing appropriations which form a portion of the state's annual budget.

**History:** 1984, Act 431, Eff. Mar. 29, 1985

**Popular Name:** Act 431

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**18.1113 Definitions; C to E.**

Sec. 113.

(1) "Capital outlay" means a project or facility financed either in whole or in part with state funds, including lease purchase agreements, to demolish, construct, renovate, or equip a building or facility for which total project costs exceed \$1,000,000.00. These projects may be on state owned property, property owned by an institution of higher education, property owned by community colleges, or property under the control of the state building authority.

- (2) "Community college" means a community college or a junior college.
- (3) "Department" means the department of technology, management, and budget.
- (4) "Directives" means intergovernmental, interagency, or interdepartment administrative or procedural guidelines or instructions which do not affect the rights of, or procedures and practices available to, the public.
- (5) "Director" means the director of the department of technology, management, and budget.
- (6) "Energy conservation measure" means improvement of a building structurally or the installation of equipment or materials in a building for the purpose of reducing energy consumption or cost, increasing energy efficiency, or allowing the use of a renewable resource for fuel.

**History:** 1984, Act 431, Eff. Mar. 29, 1985 ;-- Am. 1987, Act 122, Eff. July 23, 1987 ;-- Am. 1999, Act 8, Imd. Eff. Mar. 22, 1999 ;-- Am. 2018, Act 389, Imd. Eff. Dec. 19, 2018

**Popular Name:** Act 431

**Popular Name:** DMB

## 18.1114 Definitions; F.

Sec. 114.

(1) "Facility" means a building or structure along with the building's or structure's grounds, approaches, services, and appurtenances owned by, or leased through a building authority by, the state such as office buildings, research buildings, academic buildings, laboratories, hospitals, prisons, recreational structures, garages, warehouses, physical plant buildings, energy or power plants, and any other building or project included by the director if the director considers the building or project to be in the public interest. Facility does not include any of the following:

- (a) A building or structure for an institution of higher education except as mutually agreed upon by the director and the governing board of the state institution of higher education.
- (b) A road, bridge, or railroad under the jurisdiction of the state transportation department.
- (c) An existing building or structure which is mutually agreed to be excluded from the definition of facility by the department and the state agency having jurisdiction over the building or structure.
- (d) The capitol building and grounds. As used in this subdivision, "grounds" means the property upon which the state capitol building is situated, bordered on the north by Ottawa street; on the east by Capitol avenue; on the south by Allegan street; and on the west by Walnut street.
- (e) A building or structure owned by, or under the jurisdiction of, the legislature.
- (2) "Fiscal agencies" means the senate fiscal agency and the house fiscal agency.
- (3) "FTE" means full-time equated position in the classified service of this state.

**History:** 1984, Act 431, Eff. Mar. 29, 1985 ;-- Am. 1987, Act 122, Eff. July 23, 1987 ;-- Am. 1988, Act 306, Eff. Sept. 1, 1988 ;-- Am. 1988, Act 504, Imd. Eff. Dec. 29, 1988 ;-- Am. 1990, Act 332, Imd. Eff. Dec. 21, 1990 ;-- Am. 2001, Act 61, Eff. Oct. 1, 2001

**Popular Name:** Act 431

**Popular Name:** DMB

## 18.1115 Definitions; I to U.

Sec. 115.

- (1) "Institution of higher education" or "university" means a state supported 4-year college or university.
- (2) "Information technology services" means services involving all aspects of managing and processing information, including, but not limited to, all of the following:
  - (a) Application development and maintenance.
  - (b) Desktop computer support and management.
  - (c) Mainframe computer support and management.
  - (d) Server support and management.
  - (e) Local area network support and management, including, but not limited to, wireless networking.
  - (f) Information technology project management.
  - (g) Information technology planning and budget management.

- (h) Telecommunication services, security, infrastructure, and support.
- (3) "JCOS" means the joint capital outlay subcommittee of the appropriations committees.
- (4) Except as used in sections 284 to 292, "record" means a public record as defined in section 2 of the freedom of information act, 1976 PA 442, MCL 15.232.
- (5) "State agency" means a department, board, commission, office, agency, authority, or other unit of state government. State agency does not include an institution of higher education or a community college or, for purposes of article 2 or 3, the legislative branch of government. For purposes of article 2 or 3, except for those sections pertaining to the authorization, planning, construction, and funding of a capital outlay project, including construction of a facility to house offices or functions necessary for operation of the judicial branch of government, state agency does not include the judicial branch of government.
- (6) "Unit of local government" means a political subdivision of this state, including school districts, community college districts, intermediate school districts, cities, villages, townships, counties, and authorities, if the political subdivision has as its primary purpose the providing of local governmental service for citizens in a geographically limited area of the state and has the power to act primarily on behalf of that area.

**History:** 1984, Act 431, Eff. Mar. 29, 1985 ;-- Am. 1988, Act 504, Imd. Eff. Dec. 29, 1988 ;-- Am. 1999, Act 8, Imd. Eff. Mar. 22, 1999 ;-- Am. 2012, Act 430, Imd. Eff. Dec. 21, 2012 ;-- Am. 2018, Act 389, Imd. Eff. Dec. 19, 2018  
**Popular Name:** Act 431  
**Popular Name:** DMB

#### **18.1121 Department of management and budget; creation.**

Sec. 121.

The department of management and budget is hereby created.

**History:** 1984, Act 431, Eff. Mar. 29, 1985  
**Compiler's Notes:** For transfer of statutory authority, powers, duties, functions, and responsibilities of certain units, teams, divisions, and offices within the department of management and budget to the department of information technology by type III transfer, see E.R.O. No. 2001-1, compiled at MCL 18.41 of the Michigan Compiled Laws. For transfer of powers and duties of office of regulatory reform from the executive office of the governor to the department of management and budget, see E.R.O. No. 2002-7, compiled at MCL 10.153 of the Michigan Compiled Laws.  
**Popular Name:** Act 431  
**Popular Name:** DMB

#### **18.1122 Director as head of department.**

Sec. 122.

The head of the department of management and budget is the director of the department of management and budget.

**History:** 1984, Act 431, Eff. Mar. 29, 1985  
**Popular Name:** Act 431  
**Popular Name:** DMB

#### **18.1123 Director; appointment; term; chief information officer.**

Sec. 123.

(1) The director of the department of technology, management, and budget shall be appointed by the governor by and with the advice and consent of the senate. The director shall serve at the pleasure of the governor.

(2) The governor shall designate an individual within the department, including, but not limited to, the director of the department, to serve as the chief information officer for this state. The director may serve concurrently as the state chief information officer.

**History:** 1984, Act 431, Eff. Mar. 29, 1985 ;-- Am. 2018, Act 389, Imd. Eff. Dec. 19, 2018

**Popular Name:** Act 431

**Popular Name:** DMB

**18.1124 Director; powers and duties generally; chief information officer; report; powers and duties; executive branch sharing of data and information.**

Sec. 124.

(1) The director may organize the department into organizational entities and may merge or transfer functions between organizational entities to promote efficiency and economy. The director shall exercise direction and supervision over the organization entities in the performance of the respective functions. The director may appoint deputies and other officers and employees as permitted by law to effectively accomplish the duties and responsibilities of the department. The director may designate a deputy or other employee to act on behalf of the director.

(2) The chief information officer shall report to and advise the governor on matters relating to information technology services and related technology. Under direction and guidance of the chief information officer, the department shall do all of the following related to information technology services:

(a) Lead state efforts to reengineer the information technology infrastructure of this state to achieve the use of common technology across the executive branch of state government.

(b) Coordinate a unified executive branch strategic information technology plan, identify best practices from executive branch agencies and other public and private sector entities, and develop and implement processes to replicate information technology best practices and standards throughout the executive branch of state government.

(c) Oversee the expanded use and implementation of project management principles related to information technology services within the executive branch of state government. Funded projects within all executive branch departments and agencies shall use project management methodologies specified by the chief information officer for this state.

(d) Serve as a general contractor between information technology users within the executive branch and private-sector providers of information technology products and services while working to build stronger partnering relationships with providers.

(e) Develop and periodically update service-level agreements with executive branch departments and agencies to ensure quality information technology services are delivered on schedule and within budget.

(f) Develop standards for application development, including, but not limited to, a standard methodology and cost-benefit analysis that all executive branch departments and agencies shall utilize for application development activities.

(g) Determine and implement statewide efforts to standardize data elements, formats, and standards and determine data and information ownership or control issues among departments and agencies in the executive branch of state government with the full cooperation of executive branch departments and agencies.

(h) Develop systems and methodologies to review, evaluate, and prioritize existing information technology services projects within the executive branch of state government.

(i) Assist the office of the state budget director with the development of information technology services budgets for the executive branch of state government. All information technology budget requests from the executive branch must continue to be submitted to the office of the state budget director and the chief information officer. The office of the state budget director and the chief information officer will continue to jointly review and recommend for funding consideration only those proposals that fit into the overall strategic information technology management plan of this state and that provide a reasonable return on investment, subject to available resources.

(3) All executive branch departments and agencies shall fully cooperate with the state chief information officer in developing and implementing the sharing of data and information throughout the executive branch. The state chief information officer shall determine and implement statewide efforts to standardize data elements and shall determine data ownership assignments among executive branch departments and agencies.

**History:** 1984, Act 431, Eff. Mar. 29, 1985 ;-- Am. 2018, Act 389, Imd. Eff. Dec. 19, 2018

**Popular Name:** Act 431

**Popular Name:** DMB

**18.1125 Film production located in state; use of state property; information about potential film locations; definitions.**

Sec. 125.

(1) The director may authorize a person engaged in the production of a film in this state to use without charge property owned by or under the control of the department for the purpose of producing a film under terms and conditions established by the director. The economic and other benefits to this state of film production located in this state shall be considered to be the value received by this state in exchange for the use of property under this section.

(2) The director shall not authorize the use of property owned by or under the control of the department for the production of a film that includes obscene matter or an obscene performance or for a production for which records are required to be maintained with respect to any performer under 18 USC 2257.

(3) The department shall cooperate with the Michigan film office in providing the office with information about potential film locations owned by or under the control of the department and the use of property owned by or under the control of the department.

(4) As used in this section:

(a) "Film" means single media or multimedia entertainment content for distribution or exhibition to the general public by any means and media in any digital media format, film, or video tape, including, but not limited to, a motion picture, a documentary, a television series, a television miniseries, a television special, interstitial television programming, long-form television, interactive television, music videos, interactive games, video games, commercials, internet programming, an internet video, a sound recording, a video, digital animation, or an interactive website.

(b) "Michigan film office" means the office created under chapter 2A of the Michigan strategic fund act, 1984 PA 270, MCL 125.2029 to 125.2029g.

(c) "Obscene matter or an obscene performance" means matter described in 1984 PA 343, MCL 752.361 to 752.374.

**History:** Add. 2008, Act 76, Imd. Eff. Apr. 8, 2008

**Popular Name:** Act 431

**Popular Name:** DMB

**18.1131 Administrative and procedural directives; rules.**

Sec. 131.

(1) The director may issue, alter, or rescind administrative and procedural directives as determined to be necessary for the effective administration of this act. The directives are exempt from the definition of a rule pursuant to section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207. The directives shall be placed in the appropriate manual and distributed to each principal department, autonomous entity within state government, the senate and house appropriations committees, and the fiscal agencies. The directives shall take effect upon written approval of the director unless a later date is specified. Before a directive may become effective, the department shall give the affected principal departments reasonable time, as determined by the department of management and budget, to respond.

(2) The department may promulgate rules as necessary to implement this act. The rules shall be promulgated pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

**History:** 1984, Act 431, Eff. Mar. 29, 1985 ;-- Am. 1999, Act 8, Imd. Eff. Mar. 22, 1999

**Popular Name:** Act 431

**Popular Name:** DMB

**Admin Rule:** R 18.201 et seq.; R 18.401 et seq.; and R 18.501 et seq. of the Michigan Administrative Code.

#### **18.1141 Duties of department.**

Sec. 141.

The department shall do all of the following:

(a) Survey and examine the administrative organization and operations of state agencies to secure greater administrative and program efficiency and economy, to minimize the duplication of activities among state agencies and between state agencies and businesses, and to effect a better organization and consolidation of functions among state agencies. The findings of the surveys shall be incorporated and separately identified in the executive budget that is transmitted to the legislature. Through the executive budget process, the director may require state agencies to assist the department in making its surveys.

(b) Provide for expert and uniform conduct in state operations applicable to all state agencies.

(c) Provide centralized management of auxiliary services when advantageous to state government, after consultation with any affected state agency.

(d) Establish a comprehensive system of internal controls in the management of the state's financial affairs and record the transactions both in accordance with generally accepted accounting principles and as required by law.

(e) Plan, prepare, and execute a comprehensive state budget pursuant to the state constitution of 1963.

**History:** 1984, Act 431, Eff. Mar. 29, 1985

**Popular Name:** Act 431

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#### **18.1145 Type I transfers to department.**

Sec. 145.

(1) As used in this section, "type I transfer" means a type I transfer as defined in section 3 of Act No. 380 of the Public Acts of 1965, being section 16.103 of the Michigan Compiled Laws.

(2) The state building authority created under Act No. 183 of the Public Acts of 1964, being sections 830.411 to 830.425 of the Michigan Compiled Laws, is transferred by a type I transfer to the department.

(3) The following boards and agencies are transferred by a type I transfer to the department:

(a) The judges' retirement system retirement board created under section 3 of Act No. 198 of the Public Acts of 1951, being section 38.803 of the Michigan Compiled Laws.

(b) The municipal employees' retirement system retirement board created under section 3 of Act No. 135 of the Public Acts of 1945, being section 38.603 of the Michigan Compiled Laws.

(c) The probate judges' retirement system retirement board created under section 3 of Act No. 165 of the Public Acts of 1954, being section 38.903 of the Michigan Compiled Laws.

(d) The Michigan public school employees' retirement board created under section 22 of chapter 1 of Act No. 300 of the Public Acts of 1980, being section 38.1322 of the Michigan Compiled Laws.

(e) The state employees' retirement system retirement board created under section 3 of Act No. 240 of the Public Acts of 1943, being section 38.3 of the Michigan Compiled Laws.

(f) The state police pension board of review created under section 5 of Act No. 251 of the Public Acts of 1935, being section 28.105 of the Michigan Compiled Laws.

(g) The Michigan veterans' trust fund board of trustees created under section 3 of Act No. 9 of the Public Acts of the First Extra Session of 1946, being section 35.603 of the Michigan Compiled Laws.

(4) The state administrative board created under Act No. 2 of the Public Acts of 1921, being sections 17.1 to 17.3 of the Michigan Compiled Laws, is transferred as an organizational entity, together with all of its records, staff, property, and funds, to the department. The provisions of any other act notwithstanding, the membership of the state administrative board shall be the governor, who shall serve as chairperson, lieutenant governor, secretary of state, attorney general, superintendent of public instruction, and state treasurer. The provisions of any other act notwithstanding, the action of the board shall become final within 2 calendar days unless the governor, in writing, disapproves such action.

(5) All powers, duties, and functions of the secretary of state under Act No. 44 of the Public Acts of 1899, being sections 24.1 to 24.37 of the Michigan Compiled Laws, are transferred to the department.

**History:** 1984, Act 431, Eff. Mar. 29, 1985  
**Popular Name:** Act 431  
**Popular Name:** DMB