



Senate Fiscal Agency
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House Bill 5492 (as reported without amendment)
Sponsor: Representative Abdullah Hammoud
House Committee: Appropriations
Senate Committee: Appropriations

CONTENT

The bill would require the Department of Technology, Management, and Budget (DTMB) to assume all responsibility for the procurement, development, and maintenance of information technology (IT) services for the Department of Health and Human Services (DHHS) by October 1, 2022. The DHHS would have to start transferring those responsibilities to the DTMB.

Proposed MCL 18.1385

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State government and no fiscal impact on local units of government.

As of September 1, 2020, Year-to-Date IT expenditures within the DHHS were \$250.0 million Gross and \$84.6 million General Fund/General Purpose. The transfer of IT responsibilities would not result in a significant net change to State government expenditures. However, the transition could result in some administrative savings because of the consolidation of some shared IT services between the DTMB and the DHHS.

The DTMB notes that it is possible that the transfer could require 1.0 to 2.0 additional FTEs at an estimated cost between \$125,000 and \$250,000. At this time, an estimate of the overall savings and costs expected by either department is not available, but the overall impact to State government likely would not result in either significant expenditures or revenue in the long term. The cost of the FTEs could be partially offset by the consolidation of services under the DTMB.

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Bill Analysis @ www.senate.michigan.gov/sfa

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