

HOUSE BILL No. 5506

February 20, 1990, Introduced by Rep. Jacobetti and referred to the Committee on Appropriations.

A bill to amend sections 112, 247, and 371 of Act No. 431 of the Public Acts of 1984, entitled as amended

"The management and budget act,"

sections 247 and 371 as amended by Act No. 504 of the Public Acts of 1988, being sections 18.1112, 18.1247, and 18.1371 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 112, 247, and 371 of Act No. 431 of the
2 Public Acts of 1984, sections 247 and 371 as amended by Act
3 No. 504 of the Public Acts of 1988, being sections 18.1112,
4 18.1247, and 18.1371 of the Michigan Compiled Laws, are amended
5 to read as follows:

6 Sec. 112. (1) "Appropriation" means the legislative
7 authorization for expenditure or obligation of money from a state
8 operating fund.

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

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

5 (4) "Budget act" means an act containing appropriations
6 which form a portion of the state's annual budget. BUDGET ACT
7 INCLUDES AN ACT THAT CONTAINS SUPPLEMENTAL APPROPRIATIONS TO THE
8 STATE'S ANNUAL BUDGET.

9 Sec. 247.. Appropriations may be transferred for a state
10 agency, community college, or institution of higher education as
11 required to provide necessary funds for any project contained in
12 any budget act for any state agency, community college, or insti-
13 tution of higher education to which the appropriation is made, if
14 the transfer is approved by the ~~department,~~ JCOS ~~—~~ and the
15 appropriations committees.

16 Sec. 371. ~~(+)~~ An employee of a state agency shall not
17 make or authorize an expenditure or incur an obligation that
18 results in the agency exceeding the gross appropriation level of
19 an appropriation line item made to that agency by the
20 legislature. The chief executive officer and the chief financial
21 officer of a state agency are responsible for any action taken by
22 a state agency which results in exceeding an appropriation. The
23 chief executive officer of a state agency shall report a viola-
24 tion of this subsection immediately to the director and the
25 chairpersons of the senate and house appropriations committees,
26 together with a statement of any action taken to remedy the
27 occurrence.

~~(2) Within 15 days after a bill appropriating an amount is enacted into law, the amount appropriated shall be divided into allotments by department and by state agency based on periodic requirements to represent a spending plan. The state budget director shall review the allotments. By June 1 of each year, the director shall submit a report to the appropriations committees that compares actual expenditures to the allotments made for each department and each state agency for the first 6 months of the fiscal year. When it appears that a spending plan, or sources of financing related, do not provide the level of program service assumed in the appropriation for the fiscal year, the state budget director shall pursue 1 of the following remedies:~~

~~(a) Require from the principal department a lower level of service spending plan for the fiscal year. The state budget director shall thereafter withhold any payment which would exceed the allotment balance in the approved reduced plan. If a reduced spending or service plan is to be implemented pursuant to this subdivision, the state budget director shall notify the appropriations committees and the fiscal agencies at least 15 days before the reduction plan is to be effective.~~

~~(b) Reflect the deficiency in projecting and reporting the status of the state budget. The state budget director shall then approve the spending plan as submitted by the department and within 45 days after the enacted appropriation, recommend to the legislature a supplemental appropriation to provide the necessary level of program service.~~