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BILL ANALYSIS

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Senate Bill 802 (as introduced 11-8-11)  
Sponsor: Senator Patrick J. Colbeck  
Committee: Reforms, Restructuring and Reinventing

Date Completed: 4-17-12

### **CONTENT**

**The bill would amend the Management and Budget Act to require each reporting unit annually to submit a budget detailing its proposed expenditures, identifying each work product supported, core service or support service delivered, budget requirements broken down by expense category, and revenue source and amounts.**

**The bill also would require the Department of Technology, Management, and Budget (DTMB) to report the proposed budgets to the Secretary of the Senate and the Clerk of the House, and post them online.**

The bill would define "reporting unit" as a State department, agency, office, board, commission, authority, or other organizational unit in the executive branch of the government of this State.

Specifically, each fiscal year, by the deadline set in the Act for the Governor to submit a budget to the Legislature, each reporting unit would have to prepare and submit to the DTMB a budget detailing proposed expenditures in a manner that identified all of the following:

- Each work project managed or supported by the reporting unit and, if applicable, any other reporting unit that managed the work project.
- Each core service delivered by the reporting unit.
- Each support service delivered by the reporting unit and, if applicable, any other reporting unit that delivered the support service.
- The budget requirements for each core service, support service, and work project.
- The revenue sources and amounts for each core service, support service, and work project.

The detail also would have to break down the budget requirements for each core service, support service, and work project into at least the following expense categories: wages, health care benefits, retirement benefits, other benefits, overhead, and contracts.

The DTMB would have to submit the budget to the Secretary of the Senate and the Clerk of the House of Representatives in a spreadsheet-compatible format, and post the proposed budget on the Department's public website.

The bill would define "core service" as an activity that provides measurable value to beneficiaries such as citizens, businesses, or units of local government. "Support service" would mean an activity, such as information technology, accounting, human resources, legal, and other support functions that are required to support the ongoing delivery of core services.

"Work project" would mean a group of activities featuring a fixed duration, budget, and scope that is expected to cause a measurable change in the delivery, efficiency, or effectiveness of one or more core services.

Proposed MCL 18.1141a

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

State departments and agencies could experience a minimal fiscal impact from complying with the bill's requirements but any additional costs should be absorbed within the departments' or agencies' annual budgets. The DTMB already has a public website in place; thus, there would be no additional costs to the Department to comply with the proposed requirements.

Fiscal Analyst: Joe Carrasco

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.