

SUBSTITUTE FOR
SENATE BILL NO. 802

A bill to amend 1984 PA 431, entitled
"The management and budget act,"
(MCL 18.1101 to 18.1594) by adding section 373.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 373. (1) BEGINNING FISCAL YEAR 2013-2014, EACH REPORTING
2 UNIT SHALL CLASSIFY EACH LINE ITEM IN THE ENACTED BUDGET IN 1 OF
3 THE FOLLOWING SPENDING CATEGORIES: CORE SERVICES, SUPPORT SERVICES,
4 OR WORK PROJECTS. EACH REPORTING UNIT SHALL PREPARE A SPENDING PLAN
5 FOR EACH LINE ITEM IN THE MOST RECENTLY ENACTED BUDGET.

6 (2) A SPENDING PLAN UNDER THIS SECTION SHALL DO ALL OF THE
7 FOLLOWING:

8 (A) SUMMARIZE THE LINE ITEMS BY APPROPRIATION UNIT.

9 (B) NOT EXCEED THE GROSS APPROPRIATION FOR THE LINE ITEM IN

1 THE ENACTED BUDGET. A SPENDING PLAN MAY PROPOSE A LESSER AMOUNT IF
2 THE FEDERAL OR STATE REVENUES ARE ANTICIPATED TO BE LESS THAN THE
3 AMOUNT APPROPRIATED.

4 (C) IDENTIFY THE BUDGET REQUIREMENTS FOR EACH CORE SERVICE,
5 SUPPORT SERVICE, AND WORK PROJECT TO, AT A MINIMUM, THE FOLLOWING
6 EXPENSE CATEGORIES:

7 (i) STATE EMPLOYEE SALARIES AND FRINGE BENEFITS.

8 (ii) PRODUCTS AND SERVICES PROVIDED BY OTHERS.

9 (iii) DIRECT PAYMENTS TO CLIENTS.

10 (iv) MEDICAL PAYMENTS ON BEHALF OF CLIENTS.

11 (v) EDUCATIONAL EXPENSES ON BEHALF OF CLIENTS OR STUDENTS.

12 (vi) ALL OTHER COSTS.

13 (D) IDENTIFY REVENUE SOURCES AND AMOUNTS FOR EACH
14 APPROPRIATION UNIT.

15 (3) EACH REPORTING UNIT SHALL SUBMIT ITS SPENDING PLAN TO THE
16 STATE BUDGET OFFICE EACH YEAR WITHIN 60 DAYS AFTER ENACTMENT OF THE
17 BUDGET. THE STATE BUDGET OFFICE SHALL DESIGN A STANDARDIZED
18 SPENDING PLAN REPORTING FORMAT AND MAKE THE REPORTING FORM
19 AVAILABLE FOR USE BY EACH REPORTING UNIT.

20 (4) WITHIN 30 DAYS AFTER RECEIVING THE SPENDING PLANS FROM THE
21 REPORTING UNITS, THE DIRECTOR OF THE STATE BUDGET OFFICE SHALL
22 REVIEW AND APPROVE EACH SPENDING PLAN OR, IF CHANGES ARE REQUESTED,
23 RETURN THE SPENDING PLAN TO THE REPORTING UNIT. THE REPORTING UNIT
24 SHALL RESUBMIT A REVISED SPENDING PLAN THAT ADDRESSES THE REQUESTED
25 CHANGES WITHIN 2 WEEKS. THE STATE BUDGET DIRECTOR SHALL SUBMIT EACH
26 APPROVED SPENDING PLAN TO THE APPROPRIATE APPROPRIATIONS
27 SUBCOMMITTEES AND THE SENATE AND HOUSE FISCAL AGENCIES IN A

1 SPREADSHEET-COMPATIBLE FORMAT, AND POST IT ON THE DEPARTMENT'S
2 PUBLIC WEBSITE.

3 (5) FOR THE FISCAL YEAR 2014-2015, THE LEGISLATURE INTENDS
4 THAT APPROPRIATIONS AND THE EXECUTIVE BUDGET WILL GROUP LINE-ITEM
5 APPROPRIATIONS INTO ONLY 3 APPROPRIATION UNITS: CORE SERVICES,
6 SUPPORT SERVICES, AND WORK PROJECTS. EACH REPORTING UNIT SHALL
7 PREPARE A SPENDING PLAN FOR EACH LINE-ITEM CATEGORY WITHIN EACH
8 APPROPRIATION UNIT.

9 (6) FOR THE FISCAL YEAR 2015-2016 AND EACH SUBSEQUENT FISCAL
10 YEAR, THE LEGISLATURE INTENDS THAT APPROPRIATIONS AND THE EXECUTIVE
11 BUDGET WILL INCLUDE A SCHEDULE OF PROGRAMS FOR EACH LINE ITEM. THE
12 SCHEDULE OF PROGRAMS SHALL INCLUDE SUGGESTED SPENDING AMOUNTS FOR
13 EACH PROGRAM LISTED.

14 (7) AS USED IN THIS SECTION:

15 (A) "APPROPRIATION UNIT" MEANS A NUMBERED SECTION IN A BUDGET
16 BILL THAT INCLUDES A RELATED GROUP OF DISCRETE LINE-ITEM
17 APPROPRIATIONS REPRESENTING THE STRUCTURE OF AN ORGANIZATION OR ITS
18 MAJOR PROGRAMS, THE SUM OF WHICH LINE-ITEM APPROPRIATIONS EQUALS
19 THE TOTAL APPROPRIATION FOR THE APPROPRIATION UNIT AND THE SUM OF
20 THE APPROPRIATION UNIT TOTAL EQUALS THE TOTAL APPROPRIATION FOR THE
21 ORGANIZATION.

22 (B) "CORE SERVICE" MEANS AN ACTIVITY THAT PROVIDES MEASURABLE
23 VALUE TO BENEFICIARIES SUCH AS CITIZENS, BUSINESSES, AND UNITS OF
24 LOCAL GOVERNMENT.

25 (C) "REPORTING UNIT" MEANS A STATE AGENCY TO WHICH AN
26 APPROPRIATION IS MADE.

27 (D) "SCHEDULE OF PROGRAMS" MEANS A LISTING OF THE PROGRAMS

1 WITHIN A BUDGET THAT ARE FUNDED FROM A SPECIFIC LINE ITEM.

2 (E) "SUPPORT SERVICE" MEANS AN ACTIVITY, SUCH AS INFORMATION
3 TECHNOLOGY, ACCOUNTING, HUMAN RESOURCES, LEGAL, AND OTHER SUPPORT
4 FUNCTIONS THAT ARE REQUIRED TO SUPPORT THE ONGOING DELIVERY OF CORE
5 SERVICES.

6 (F) "WORK PROJECT" MEANS THAT TERM AS DEFINED IN SECTION 404
7 AND THAT MEETS THE CRITERIA IN SECTION 451A(1).

8 Enacting section 1. This amendatory act does not take effect
9 unless Senate Bill No. 21 of the 96th Legislature is enacted into
10 law.