

HOUSE 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 WAGES.

8 (ii) STATE EMPLOYEE BENEFITS INCLUDING INSURANCES, RETIREMENT,
9 AND OTHER POSTEMPLOYMENT BENEFITS.

10 (iii) MATERIALS AND EQUIPMENT.

11 (iv) FACILITIES, INCLUDING RENT, BUILDING OCCUPANCY CHARGES,
12 AND UTILITIES.

13 (v) DIRECT PAYMENTS TO CLIENTS.

14 (vi) MEDICAL PAYMENTS ON BEHALF OF CLIENTS.

15 (vii) EDUCATIONAL EXPENSES ON BEHALF OF CLIENTS OR STUDENTS.

16 (viii) OTHER CONTRACTS.

17 (ix) ALL OTHER COSTS.

18 (D) IDENTIFY REVENUE SOURCES AND AMOUNTS FOR EACH
19 APPROPRIATION UNIT.

20 (3) EACH REPORTING UNIT SHALL SUBMIT ITS SPENDING PLAN TO THE
21 STATE BUDGET OFFICE EACH YEAR WITHIN 60 DAYS AFTER ENACTMENT OF THE
22 BUDGET. THE STATE BUDGET OFFICE SHALL DEFINE EXPENSE CATEGORIES,
23 DESIGN A STANDARDIZED SPENDING PLAN REPORTING FORMAT, AND MAKE THE
24 REPORTING FORM AVAILABLE FOR USE BY EACH REPORTING UNIT.

25 (4) WITHIN 30 DAYS AFTER THE STATE BUDGET OFFICE RECEIVES THE
26 SPENDING PLANS FROM THE REPORTING UNITS, THE DIRECTOR OF THE STATE
27 BUDGET OFFICE SHALL EITHER REVIEW AND APPROVE EACH SPENDING PLAN

1 OR, IF THE DIRECTOR REQUESTS CHANGES, RETURN THE SPENDING PLAN TO
2 THE REPORTING UNIT WITH A DESCRIPTION OF REQUESTED CHANGES. THE
3 REPORTING UNIT SHALL RESUBMIT A REVISED SPENDING PLAN THAT
4 ADDRESSES THE REQUESTED CHANGES WITHIN 2 WEEKS. THE STATE BUDGET
5 DIRECTOR SHALL SUBMIT EACH APPROVED SPENDING PLAN TO THE
6 APPROPRIATE APPROPRIATIONS SUBCOMMITTEES AND THE SENATE AND HOUSE
7 FISCAL AGENCIES IN A SPREADSHEET-COMPATIBLE FORMAT, AND POST IT ON
8 THE DEPARTMENT'S PUBLIC WEBSITE.

9 (5) FOR THE FISCAL YEAR 2014-2015 AND EACH SUBSEQUENT FISCAL
10 YEAR, THE LEGISLATURE INTENDS THAT THE STATE BUDGET DIRECTOR AND
11 THE SENATE AND HOUSE APPROPRIATIONS COMMITTEES WORK TO IDENTIFY
12 SUITABLE ADJUSTMENTS TO THE ANNUAL STATE BUDGET PROCESS TO UTILIZE
13 THE INFORMATION CONTAINED IN THE SPENDING PLANS PRODUCED UNDER THIS
14 SECTION.

15 (6) AS USED IN THIS SECTION:

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

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

26 (C) "REPORTING UNIT" MEANS A STATE AGENCY, EXCLUDING A PUBLIC
27 BODY CORPORATE AND POLITIC, TO WHICH AN APPROPRIATION IS MADE.

1 HOWEVER, A PUBLIC BODY CORPORATE AND POLITIC SHALL POST ANNUALLY ON
2 ITS WEBSITE SUBSTANTIALLY THE SAME SPENDING AND REVENUE DATA
3 DESCRIBED IN SUBSECTION (2) (C) AND (D) .

4 (D) "SCHEDULE OF PROGRAMS" MEANS A LISTING OF THE PROGRAMS
5 WITHIN A BUDGET THAT ARE FUNDED FROM A SPECIFIC LINE ITEM.

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

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

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