

**SUBSTITUTE FOR
SENATE BILL NO. 359**

A bill to amend 1984 PA 431, entitled
"The management and budget act,"
by amending section 367b (MCL 18.1367b), as amended by 2011 PA 47.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 367b. (1) A revenue estimating conference shall be held
2 in the second week of January and in the third week in May of each
3 year, and as otherwise provided in this act.

4 (2) The principals of the conference shall be the state budget
5 director or the state treasurer, the director of the senate fiscal
6 agency, and the director of the house fiscal agency, or their
7 respective designees.

8 (3) The conference shall establish an official economic
9 forecast of major variables of the national and state economies.
10 The conference shall also establish a forecast of anticipated state

1 revenues as the conference determines including the following:

2 (a) State income tax collections.

3 (b) State sales tax collections.

4 (c) Corporate income tax collections.

5 (d) Michigan business tax collections.

6 (e) Total general fund/general purpose revenues.

7 (f) Lottery transfers to the school aid fund.

8 (g) Total school aid fund revenues.

9 (h) Annual percentage growth in the basic foundation allowance
10 provided for in the state school aid act of 1979, 1979 PA 94, MCL
11 388.1601 to ~~388.1772~~ **388.1896**.

12 (i) Compliance with the state revenue limit established by
13 section 26 of article IX of the state constitution of 1963.

14 (j) Pay-ins or pay-outs required under the countercyclical
15 budget and economic stabilization fund.

16 (4) The conference's official forecast of economic and revenue
17 variables shall be determined by consensus among the principals.

18 (5) The forecasts required by this section shall be for the
19 fiscal year in which the conference is being held and the next 2
20 ensuing fiscal years. The conference shall also forecast general
21 fund/general purpose revenue trend line projections and school aid
22 fund revenue trend line projections for the next 2 ensuing fiscal
23 years.

24 (6) The May revenue estimating conference shall establish
25 expenditure forecasts for medicaid expenditures and for human
26 services caseloads and expenditures for the fiscal year in which
27 the conference is being held and the next 2 ensuing fiscal years.

1 (7) The official conference forecasts of revenues and
2 expenditures shall be based upon the assumption that the current
3 law and current administrative procedures will remain in effect for
4 the forecast period.

5 (8) THE MAY REVENUE ESTIMATING CONFERENCE SHALL INCLUDE A
6 REPORT FROM THE STATE TREASURER, OR HIS OR HER DESIGNEE, REGARDING
7 THE UNFUNDED ACCRUED LIABILITIES AND FUNDED RATIOS OF THE STATE FOR
8 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS. THE REPORT AT THE
9 REVENUE ESTIMATING CONFERENCE SHALL BE BASED ON THE MOST RECENTLY
10 PUBLISHED ANNUAL ACTUARIAL VALUATION REPORT FOR EACH OF THE STATE'S
11 PENSION AND RETIREE HEALTH BENEFITS SYSTEMS, INCLUDING, BUT NOT
12 LIMITED TO, ALL OF THE FOLLOWING FOR THE IMMEDIATELY PRECEDING
13 FISCAL YEAR:

14 (A) THE STATE EMPLOYEES' RETIREMENT ACT, 1943 PA 240, MCL 38.1
15 TO 38.69.

16 (B) THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980
17 PA 300, MCL 38.1301 TO 38.1437.

18 (C) THE JUDGES RETIREMENT ACT OF 1992, 1992 PA 234, MCL
19 38.2101 TO 38.2670.

20 (D) THE STATE POLICE RETIREMENT ACT OF 1986, 1986 PA 182, MCL
21 38.1601 TO 38.1648.

22 (E) THE MICHIGAN LEGISLATIVE RETIREMENT SYSTEM ACT, 1957 PA
23 261, MCL 38.1001 TO 38.1080.