

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 139**

A bill to amend 1984 PA 431, entitled
"The management and budget act,"
by amending sections 367b and 386 (MCL 18.1367b and 18.1386),
section 367b as amended by 2007 PA 183 and section 386 as amended
by 1999 PA 8.

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 ~~last~~**THIRD** week in May of
3 each 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

1 forecast of major variables of the national and state economies.

2 The conference shall also establish a forecast of anticipated state
3 revenues as the conference determines including the following:

4 (a) State income tax collections.

5 (b) State sales tax collections.

6 (c) ~~Single business tax collections.~~ **CORPORATE INCOME TAX**

7 **COLLECTIONS.**

8 (d) Michigan business tax collections.

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

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

11 (g) Total school aid fund revenues.

12 (h) Annual percentage growth in the basic foundation allowance
13 provided for in the state school aid act of 1979, 1979 PA 94, MCL
14 388.1601 to 388.1772.

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

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

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

21 (5) The forecasts required by this section shall be for the
22 fiscal year in which the conference is being held and the ~~ensuing~~
23 ~~fiscal year.~~ **NEXT 2 ENSUING FISCAL YEARS. THE CONFERENCE SHALL ALSO**

24 **FORECAST GENERAL FUND/GENERAL PURPOSE REVENUE TREND LINE**

25 **PROJECTIONS AND SCHOOL AID FUND REVENUE TREND LINE PROJECTIONS FOR**
26 **THE NEXT 2 ENSUING FISCAL YEARS.**

27 (6) **THE MAY REVENUE ESTIMATING CONFERENCE SHALL ESTABLISH**

1 EXPENDITURE FORECASTS FOR MEDICAID EXPENDITURES AND FOR HUMAN
2 SERVICES CASELOADS AND EXPENDITURES FOR THE FISCAL YEAR IN WHICH
3 THE CONFERENCE IS BEING HELD AND THE NEXT 2 ENSUING FISCAL YEARS.

4 (7) ~~(6)~~—The official conference ~~forecast~~ FORECASTS OF REVENUES
5 AND EXPENDITURES shall be based upon the assumption that the
6 current law and current administrative procedures will remain in
7 effect for the forecast period.

8 Sec. 386. (1) The state budget director shall prepare monthly
9 financial reports.

10 (2) Within ~~45~~ 30 days after the end of each month, the state
11 budget director shall transmit copies of the monthly financial
12 report to all the appropriations committee members and the fiscal
13 agencies. The monthly financial report due by December ~~15~~ 1 shall
14 be the first monthly financial report to include statements
15 concerning the fiscal year which began on October 1.

16 (3) Each monthly financial report shall contain the following
17 information:

18 (a) A statement of actual monthly and year-to-date revenue
19 collections for the general fund/general purpose revenues, school
20 aid fund revenues, and the tax collections dedicated to the
21 transportation funds; including a comparison with prior year
22 amounts, statutory estimates, and the most recent estimates from
23 the executive branch.

24 (b) A statement of estimated year-end appropriations lapses
25 and overexpenditures for the state general fund by principal
26 department.

27 (c) A statement projecting the ending state general fund and

1 state school aid fund balances for the fiscal year in progress.

2 (d) A summary of current economic events relevant to the
3 Michigan economy, and a discussion of any economic forecast or
4 current knowledge of revenue collections or expenditure patterns
5 that is the basis for a change in any revenue estimate or
6 expenditure projection.

7 (e) A statement of estimated and actual total state revenues
8 compared to the revenue limit provided for in section 26 of article
9 IX of the state constitution of 1963.

10 (f) A statement of the estimated fiscal year-end balance of
11 state payments to units of local government pursuant to section 30
12 of article IX of the state constitution of 1963.

13 (g) Any other information considered necessary by the state
14 budget director or jointly requested by the chairpersons of the
15 appropriations committees.

16 (h) A statement of year-to-date balances for the following
17 funds:

18 (i) The countercyclical budget and economic stabilization fund
19 or its successor.

20 ~~—— (ii) The renaissance fund or its successor.~~

21 (ii) ~~(iii)~~ The natural resources trust fund or its successor.