

**STATE OF MICHIGAN  
96TH LEGISLATURE  
REGULAR SESSION OF 2012**

**Introduced by Senators Colbeck, Caswell, Kahn, Nofs, Pappageorge, Brandenburg, Green, Marleau,  
Schuitmaker, Walker, Casperson, Jansen, Hildenbrand, Hune, Meekhof, Emmons, Kowall, Pavlov,  
Booher, Jones, Robertson, Rocca, Richardville and Proos**

# **ENROLLED SENATE BILL No. 802**

AN ACT to amend 1984 PA 431, entitled "An act to prescribe the powers and duties of the department of management and budget; to define the authority and functions of its director and its organizational entities; to authorize the department to issue directives; to provide for the capital outlay program; to provide for the leasing, planning, constructing, maintaining, altering, renovating, demolishing, conveying of lands and facilities; to provide for centralized administrative services such as purchasing, payroll, record retention, data processing, and publishing and for access to certain services; to provide for a system of internal accounting and administrative control for certain principal departments; to provide for an internal auditor in certain principal departments; to provide for certain powers and duties of certain state officers and agencies; to codify, revise, consolidate, classify, and add to the powers, duties, and laws relative to budgeting, accounting, and the regulating of appropriations; to provide for the implementation of certain constitutional provisions; to create funds and accounts; to make appropriations; to prescribe remedies and penalties; to rescind certain executive reorganization orders; to prescribe penalties; and to repeal certain acts and parts of acts," (MCL 18.1101 to 18.1594) by adding section 373.

*The People of the State of Michigan enact:*

Sec. 373. (1) Beginning fiscal year 2013-2014, each reporting unit shall classify each line item in the enacted budget in 1 of the following spending categories: core services, support services, or work projects. Each reporting unit shall prepare a spending plan for each line item in the most recently enacted budget.

(2) A spending plan under this section shall do all of the following:

(a) Summarize the line items by appropriation unit.

(b) Not exceed the gross appropriation for the line item in the enacted budget. A spending plan may propose a lesser amount if the federal or state revenues are anticipated to be less than the amount appropriated.

(c) Identify the budget requirements for each core service, support service, and work project to, at a minimum, the following expense categories:

(i) State employee wages.

(ii) State employee benefits including insurances, retirement, and other postemployment benefits.

(iii) Materials and equipment.

(iv) Facilities, including rent, building occupancy charges, and utilities.

(v) Direct payments to clients.

(vi) Medical payments on behalf of clients.

(vii) Educational expenses on behalf of clients or students.

(viii) Other contracts.

(ix) All other costs.

(d) Identify revenue sources and amounts for each appropriation unit.

(3) Each reporting unit shall submit its spending plan to the state budget office each year within 60 days after enactment of the budget. The state budget office shall define expense categories, design a standardized spending plan reporting format, and make the reporting form available for use by each reporting unit.

(4) Within 30 days after the state budget office receives the spending plans from the reporting units, the director of the state budget office shall either review and approve each spending plan or, if the director requests changes, return the spending plan to the reporting unit with a description of requested changes. The reporting unit shall resubmit a revised spending plan that addresses the requested changes within 2 weeks. The state budget director shall submit each approved spending plan to the appropriate appropriations subcommittees and the senate and house fiscal agencies in a spreadsheet-compatible format, and post it on the department's public website.

(5) For the fiscal year 2014-2015 and each subsequent fiscal year, the legislature intends that the state budget director and the senate and house appropriations committees work to identify suitable adjustments to the annual state budget process to utilize the information contained in the spending plans produced under this section.

(6) As used in this section:

(a) "Appropriation unit" means a numbered section in a budget bill that includes a related group of discrete line-item appropriations representing the structure of an organization or its major programs, the sum of which line-item appropriations equals the total appropriation for the appropriation unit and the sum of the appropriation unit total equals the total appropriation for the organization.

(b) "Core service" means an activity that provides measurable value to beneficiaries such as citizens, businesses, and units of local government.

(c) "Reporting unit" means a state agency, excluding a public body corporate and politic, to which an appropriation is made. However, a public body corporate and politic shall post annually on its website substantially the same spending and revenue data described in subsection (2)(c) and (d).

(d) "Schedule of programs" means a listing of the programs within a budget that are funded from a specific line item.

(e) "Support service" means 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.

(f) "Work project" means that term as defined in section 404 and that meets the criteria in section 451a(1).

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

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Sam E. Randall

Clerk of the House of Representatives

Approved .....

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Governor