

THE MANAGEMENT AND BUDGET ACT (EXCERPT)
Act 431 of 1984

18.1373 Classification of line item in spending categories; spending plan; submission to state budget office; review; approval; resubmission of revised spending plan; submission to legislative committees; posting on public website; adjustments; definitions.

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

(iv) Direct payments to clients.

(v) Medical payments on behalf of clients.

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

(vii) Materials and equipment, other contracts, and 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).

History: Add. 2012, Act 536, Imd. Eff. Jan. 2, 2013 ;-- Am. 2018, Act 389, Imd. Eff. Dec. 19, 2018