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BILL



ANALYSIS

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Senate Bill 562 (as reported without amendment)  
 Sponsor: Senator John J. H. Schwarz, M.D.  
 Committee: Appropriations

## **CONTENT**

Senate Bill 562 proposes to make amendments to Public Act 431 of 1984, the Management and Budget Act. The bill attempts to implement a portion of the FY 1995-96 budget target agreements reached between the Department of Management and Budget and legislative leadership on May 17, 1995.

MCL 18.354

## **FISCAL IMPACT**

Senate Bill 562 proposes to make two changes in the Management and Budget Act. The first change would provide for additional FY 1995-96 General Fund/General Purpose (GF/GP) appropriations if the FY 1994-95 GF/GP budget closes the year with a surplus. The bill provides that the first \$27.7 million of any FY 1994-95 GF/GP budget surplus would be available for appropriation to State universities, community colleges, and for special maintenance projects on State buildings. If the actual FY 1994-95 GF/GP year-end budget balance exceeds \$27.7 million, any surplus above \$27.7 million would be transferred to the Budget Stabilization Fund. The \$27.7 million of surplus FY 1994-95 revenues available for appropriation under this bill would be distributed as follows:

State Universities. . . . .	\$18.81 million
Community Colleges.. . . .	\$ 3.85 million
Special Maintenance State Buildings. . . . .	<u>\$ 5.00 million</u>
Total. . . . .	\$27.66 million

The actual appropriations distributing these surplus funds would be made in the Higher Education, Community Colleges, and Capital Outlay appropriations bills. If FY 1994-95 closes the year with a deficit, or no surplus exists when the books are closed, the appropriations would not be made.

The second proposed change provided for in Senate Bill 562 states that when the FY 1995-96 GF/GP budget is closed, any year-end balance that exists would be transferred to the Budget Stabilization Fund.

Date Completed: 5-30-95

Fiscal Analyst: G. Olson

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