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Senate Bill 139 (as reported with amendment)
Sponsor: Senator Roger Kahn
Committee: Appropriations

(as passed by the Senate)

CONTENT

The bill would amend the Management and Budget Act to modify certain provisions related to the State budget process. The revisions would include changing the date for the May Consensus Revenue Estimating Conference from the last week of May to the third week of May; adding prison population, Correction expenditures, Medicaid expenditures, and Human Service caseloads and expenditures, to the State revenue estimating process; and requiring, to the extent possible, economic and State revenue forecasts for three additional ensuing fiscal years.

The bill would require the State Budget Director to transmit the monthly financial report 30 days after the end of each month, instead of the current 45 days, and would require the State Budget Director to submit to the Appropriations Committees and the fiscal agencies, by June 1 of each year, a copy of the spending plan for each State department. The bill also would require the Majority Chairpersons and Minority Vice Chairpersons of the House and Senate Appropriations Committees to be notified regarding State applications for Federal financial assistance, as well as allow them to examine the books of any State agency.

MCL 18.1367b et al.

BACKGROUND

There has been much discussion about changing the upcoming appropriations process. One of the proposals has been to move from a single-year to a multiple-year appropriations cycle; another issue pertains to completing the budget process earlier. Although there are potential legal issues involving the multiple-year appropriations process, there are other more technical statutory changes that would need to be addressed. This bill would amend the Management and Budget Act to allow the Consensus Revenue Estimating Conference to forecast for three additional fiscal years and to meet earlier in May in order to expedite the budget process.

The addition of Medicaid expenditures and Human Service caseload and expenditures to the estimating process would codify what has historically been the practice; prison population and Correction expenditures have not consistently been a part of the estimating process.

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 2-16-11

Fiscal Analyst: Ellen Jeffries

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Bill Analysis @ www.senate.michigan.gov/sfa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.