

# HOUSE BILL No. 5804

## EXECUTIVE BUDGET BILL

February 26, 2008, Introduced by Rep. Vagnozzi and referred to the Committee on Appropriations.

A bill to make appropriations for the department of history, arts and libraries for the fiscal year ending September 30, 2009; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to create funds; to provide for the disbursement of certain grants; to provide for reports; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill, the amounts listed in this part are appropriated for the department

1 of history, arts and libraries for the fiscal year ending September  
 2 30, 2009, from the funds indicated in this part. The following is a  
 3 summary of the appropriations in this part:

4 **DEPARTMENT OF HISTORY, ARTS AND LIBRARIES**

5 APPROPRIATION SUMMARY:

6	Full-time equated unclassified positions.....	6.0	
7	Full-time equated classified positions.....	227.0	
8	GROSS APPROPRIATION.....		\$ 52,779,900
9	Interdepartmental grant revenues:		
10	Total interdepartmental grants and intradepartmental		
11	transfers .....		668,600
12	ADJUSTED GROSS APPROPRIATION.....		\$ 52,111,300
13	Federal revenues:		
14	Total federal revenues.....		7,507,400
15	Special revenue funds:		
16	Total local revenues.....		200,000
17	Total private revenues.....		312,400
18	Total other state restricted revenues.....		3,979,800
19	State general fund/general purpose.....		\$ 40,111,700
20	<b>Sec. 102. DEPARTMENT OPERATIONS</b>		
21	Full-time equated unclassified positions.....	6.0	
22	Full-time equated classified positions.....	29.0	
23	Unclassified salaries.....		\$ 228,600
24	Management services--26.0 FTE positions.....		2,120,100
25	Building occupancy charges and rent.....		3,671,900
26	Worker's compensation.....		8,000
27	Film office--1.0 FTE position.....		193,600

1	Records center relocation expenses.....	870,000
2	Federal, local and private grants.....	600,000
3	Cultural economic development--2.0 FTE positions.....	361,300
4	Internal audit services.....	<u>170,800</u>
5	GROSS APPROPRIATION.....	\$ 8,224,300
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG-Agency relocation assessments.....	551,300
9	Federal revenues:	
10	Federal funds .....	200,000
11	Special revenue funds:	
12	Private revenues.....	200,000
13	Local revenues.....	200,000
14	History, arts and libraries fund.....	112,000
15	State general fund/general purpose.....	\$ 6,961,000
16	<b>Sec. 103. INFORMATION TECHNOLOGY</b>	
17	Information technology services and projects.....	\$ <u>1,274,800</u>
18	GROSS APPROPRIATION.....	\$ 1,274,800
19	Appropriated from:	
20	Special revenue funds:	
21	Mackinac Island state park fund.....	46,900
22	State general fund/general purpose.....	\$ 1,227,900
23	<b>Sec. 104. COUNCIL FOR ARTS AND CULTURAL AFFAIRS</b>	
24	Full-time equated classified positions..... 5.0	
25	Administration--5.0 FTE positions.....	\$ 530,200
26	Arts and cultural grants.....	<u>7,996,000</u>
27	GROSS APPROPRIATION.....	\$ 8,526,200

1	Appropriated from:		
2	Federal revenues:		
3	NFAH-NEA, promotion of the arts, partnership		
4	agreements .....		700,000
5	Special revenue funds:		
6	History, arts and libraries fund.....		100,000
7	State general fund/general purpose.....	\$	7,726,200
8	<b>Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION</b>		
9	Full-time equated classified positions.....	39.0	
10	Mackinac Island park operation--24.0 FTE positions ...	\$	1,674,800
11	Historical facilities system--15.0 FTE positions .....		<u>2,055,200</u>
12	GROSS APPROPRIATION.....	\$	3,730,000
13	Appropriated from:		
14	Federal revenues:		
15	Federal funds.....		200,000
16	Special revenue funds:		
17	Mackinac Island state park operation fund.....		163,200
18	Mackinac Island state park fund.....		1,571,100
19	History, arts and libraries fund.....		200,000
20	State general fund/general purpose.....	\$	1,595,700
21	<b>Sec. 106. MICHIGAN HISTORICAL PROGRAM</b>		
22	Full-time equated classified positions.....	83.0	
23	Historical administration and services--63.0 FTE		
24	positions .....	\$	5,974,700
25	State historic preservation programs (federal)--12.0		
26	FTE positions .....		850,000
27	Heritage publications--1.0 FTE position.....		700,000

1	Special programs—1.0 FTE position.....	112,400
2	Thunder Bay national marine sanctuary and underwater	
3	preserve—1.0 FTE position .....	202,600
4	Museum stores—4.0 FTE positions.....	500,000
5	Lighthouse preservation program—1.0 FTE position.....	<u>100,000</u>
6	GROSS APPROPRIATION.....	\$ 8,439,700
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG-MDOT, comprehensive transportation fund.....	3,900
10	IDG-MDOT, state aeronautics fund.....	2,500
11	IDG-MDOT, state trunkline fund.....	110,900
12	Federal revenues:	
13	DOI-NPS, historic preservation grants-in-aid.....	850,000
14	Special revenue funds:	
15	Private grants.....	10,000
16	Private - Mann house trust fund.....	102,400
17	Game and fish protection fund.....	3,500
18	Michigan heritage publications fund.....	700,000
19	Marine safety fund.....	400
20	Special revenue, internal service and pension trust ..	72,700
21	State lottery fund.....	20,400
22	State services fee fund.....	12,800
23	Waterways fund.....	800
24	Museum operations fund.....	500,000
25	Michigan lighthouse preservation fund.....	100,000
26	History, arts and libraries fund.....	171,000
27	State general fund/general purpose.....	\$ 5,778,400



1	Arts and cultural grants.....	\$	730,400
2	State aid to libraries.....		10,000,000
3	Subregional state aid.....		<u>505,000</u>
4	Total department of history, arts and libraries.....	\$	11,235,400

5       Sec. 202. The appropriations authorized under this bill are  
6 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
7 to 18.1594.

8       Sec. 203. As used in this appropriation bill:

9       (a) "Department" means the department of history, arts and  
10 libraries.

11       (b) "Director" means the director of the department of  
12 history, arts and libraries.

13       (c) "DOI-NPS" means the United States department of interior,  
14 national park service.

15       (d) "Fiscal agencies" means the house fiscal agency and the  
16 senate fiscal agency.

17       (e) "FTE" means full-time equated.

18       (f) "IDG" means interdepartmental grant.

19       (g) "IMLS" means institute of museum and library services.

20       (h) "MCACA" means the Michigan council for arts and cultural  
21 affairs.

22       (i) "MDOT" means the Michigan department of transportation.

23       (j) "NEA" means the national endowment for the arts.

24       (k) "NFAH" means the national foundation of the arts and the  
25 humanities.

26       (l) "Subcommittees" means all members of the appropriate  
27 subcommittees of the senate and house of representatives

1 appropriations committees.

2       Sec. 204. The civil service commission shall bill departments  
3 and agencies at the end of the first fiscal quarter for the 1%  
4 charge authorized by section 5 of article XI of the state  
5 constitution of 1963. Payments shall be made for the total amount  
6 of the billing by the end of the second fiscal quarter.

7       Sec. 205. (1) A hiring freeze is imposed on the state  
8 classified civil service. State departments and agencies are  
9 prohibited from hiring any new full-time state classified civil  
10 service employees and prohibited from filling any vacant state  
11 classified civil service positions. This hiring freeze does not  
12 apply to internal transfers of classified employees from 1 position  
13 to another within a department.

14       (2) The state budget director may grant exceptions to this  
15 hiring freeze when the state budget director believes that the  
16 hiring freeze will result in rendering a state department or agency  
17 unable to deliver basic services, cause loss of revenue to the  
18 state, result in the inability of the state to receive federal  
19 funds, or necessitate additional expenditures that exceed any  
20 savings from maintaining a vacancy. The state budget director shall  
21 report quarterly to the chairpersons of the senate and house of  
22 representatives standing committees on appropriations the number of  
23 exceptions to the hiring freeze approved during the previous  
24 quarter and the reasons to justify the exception.

25       Sec. 208. The department shall use the Internet to fulfill the  
26 reporting requirements of this bill. This requirement may include  
27 transmission of reports via electronic mail to the recipients

1 identified for each reporting requirement, or it may include  
2 placement of reports on an Internet or Intranet site.

3       Sec. 209. Funds appropriated in part 1 shall not be used for  
4 the purchase of foreign goods or services, or both, if  
5 competitively priced and of comparable quality American goods or  
6 services, or both, are available. Preference should be given to  
7 goods or services, or both, manufactured or provided by Michigan  
8 businesses, if they are competitively priced and of comparable  
9 quality. In addition, preference should be given to goods or  
10 services, or both, that are manufactured or provided by Michigan  
11 businesses owned and operated by veterans, if they are  
12 competitively priced and of comparable quality.

13       Sec. 211. The department shall establish and maintain  
14 affirmative action programs based on guidelines developed by the  
15 state equal opportunity workforce planning council which was  
16 created by Executive Order No. 1996-13 in order to receive general  
17 fund/general purpose dollars in compliance with section 26 of  
18 article I of the state constitution of 1963.

19       Sec. 213. From the funds appropriated in part 1 for  
20 information technology, departments and agencies shall pay user  
21 fees to the department of information technology for technology-  
22 related services and projects. Such user fees shall be subject to  
23 provisions of an interagency agreement between the department and  
24 the department of information technology.

25       Sec. 214. Amounts appropriated in part 1 for information  
26 technology may be designated as work projects and carried forward  
27 to support technology projects under the direction of the

1 department of information technology. Funds designated in this  
2 manner are not available for expenditure until approved as work  
3 projects under section 451a of the management and budget act, 1984  
4 PA 431, MCL 18.1451a.

5       Sec. 215. (1) The department may provide and enter into  
6 agreements to provide general services, training, meetings,  
7 information, special equipment, software, and facility use, and  
8 technical consulting services to other principal executive  
9 departments, state agencies, local units of government, the  
10 judicial branch of government, other organizations, and patrons of  
11 department facilities. Fees for services shall be reasonably  
12 related to the cost of providing the services and shall be used to  
13 offset the costs of the services. The department may receive and  
14 expend funds in addition to those authorized in part 1 which may  
15 include, but are not limited to the following:

16       (a) Supplying census-related information and technical  
17 services, publications, statistical studies, population projections  
18 and estimates, and other demographic products.

19       (b) Document and data imaging services, media, storage, and  
20 copies.

21       (c) Patron copier and document reproduction services and  
22 copies.

23       (d) Conferences, training classes, exhibits, programs, and  
24 workshops conducted as part of the department's mission.

25       (e) Use of specialized equipment, facilities, and software  
26 that permit distance learning and meetings, and group decision  
27 making.

1 (f) Special services including the rental of department  
2 exhibits and collections.

3 (g) Application and other fees.

4 (h) Grants, gifts, and bequests from private or public  
5 sources, including those for capital projects.

6 (2) The funds received under this section shall be deposited  
7 in and expended from the history, arts and libraries fund  
8 established in section 216 of this bill.

9 Sec. 216. (1) A fund known as the history, arts and libraries  
10 fund is created in the department. The fund shall be used to  
11 receive and expend funds identified in sections 215 and 404(a).  
12 All funds in excess of those funds appropriated in part 1 are  
13 appropriated for expenditure upon receipt. The fund balance may be  
14 carried forward for expenditure in subsequent fiscal years.

15 (2) The department shall provide a report to the senate and  
16 house of representatives appropriations subcommittees on history,  
17 arts and libraries, and to the state budget director, of all  
18 revenues to and expenditures from the history, arts and libraries  
19 fund in excess of those amounts appropriated in part 1. The report  
20 shall include an estimated fund balance for the fiscal year ending  
21 September 30, 2009. The report is due November 1, 2009.

22 Sec. 217. (1) Due to the current budgetary problems in this  
23 state, out-of-state travel for the fiscal year ending September 30,  
24 2009 shall be limited to situations in which 1 or more of the  
25 following conditions apply:

26 (a) The travel is required by legal mandate or court order or  
27 for law enforcement purposes.

1 (b) The travel is necessary to protect the health or safety of  
2 Michigan citizens or visitors or to assist other states in similar  
3 circumstances.

4 (c) The travel is necessary to produce budgetary savings or to  
5 increase state revenues, including protecting existing federal  
6 funds or securing additional federal funds.

7 (d) The travel is necessary to comply with federal  
8 requirements.

9 (e) The travel is necessary to secure specialized training for  
10 staff that is not available within this state.

11 (f) The travel is financed entirely by federal or nonstate  
12 funds.

13 (2) If out-of-state travel is necessary but does not meet 1 or  
14 more of the conditions in subsection (1), the state budget director  
15 may grant an exception to allow the travel. Any exceptions granted  
16 by the state budget director shall be reported on a monthly basis  
17 to the senate and house of representatives standing committees on  
18 appropriations.

19 (3) Not later than January 1 of each year, each department  
20 shall prepare a travel report listing all travel by classified and  
21 unclassified employees outside this state in the immediately  
22 preceding fiscal year that was funded in whole or in part with  
23 funds appropriated in the department's budget. The report shall be  
24 submitted to the senate and house of representatives standing  
25 committees on appropriations, the senate and house fiscal agencies,  
26 and the state budget director. The report shall include the  
27 following information:

1 (a) The name of each person receiving reimbursement for travel  
2 outside this state or whose travel costs were paid by this state.

3 (b) The destination of each travel occurrence.

4 (c) The dates of each travel occurrence.

5 (d) A brief statement of the reason for each travel  
6 occurrence.

7 (e) The transportation and related costs of each travel  
8 occurrence, including the proportion funded with state general  
9 fund/general purpose revenues, the proportion funded with state  
10 restricted revenues, the proportion funded with federal revenues,  
11 and the proportion funded with other revenues.

12 (f) A total of all out-of-state travel funded for the  
13 immediately preceding fiscal year.

14 Sec. 222. The director shall take all reasonable steps to  
15 ensure businesses in deprived and depressed communities compete for  
16 and perform contracts to provide services or supplies, or both. The  
17 director shall strongly encourage firms with which the department  
18 contracts to subcontract with certified businesses in depressed and  
19 deprived communities for services, supplies, or both.

20 Sec. 223. Funds appropriated in part 1 shall not be used by a  
21 principal executive department, state agency, or authority to hire  
22 a person to provide legal services that are the responsibility of  
23 the attorney general. This prohibition does not apply to legal  
24 services for bonding activities or for those activities that the  
25 attorney general authorizes.

26 Sec. 224. (1) The department of history, arts and libraries  
27 shall collaborate with the state board of education, the department

1 of human services, the department of community health, and the  
2 department of labor and economic growth to extend the duration of  
3 the Michigan after-school partnership, and oversee its efforts to  
4 implement the policy recommendations and strategic next steps  
5 identified in the Michigan after-school initiative's report of  
6 December 15, 2003.

7 (2) From the funds appropriated in part 1, \$25,000.00 may be  
8 used to support the Michigan after-school partnership. Funds shall  
9 be used to leverage other private and public funding to engage the  
10 public and private sectors in building and sustaining high-quality  
11 out-of-school-time programs and resources. The co-chairs,  
12 representing the department, the state board of education, the  
13 department of human services, the department of labor and economic  
14 growth, and the department of community health shall name a  
15 fiduciary agent and may authorize the fiduciary to expend funds and  
16 hire people to accomplish the work of the Michigan after-school  
17 partnership.

18 (3) Participation in the Michigan after-school partnership  
19 shall be expanded beyond the membership of the initial Michigan  
20 after-school initiative to increase the representation of parents,  
21 youth, foundations, employers, and others with experience in  
22 education, child care, after-school and youth development services,  
23 and crime and violence prevention, and to include representation  
24 from the Michigan department of history, arts and libraries. Each  
25 year, on or before December 31, the Michigan after-school  
26 partnership shall report its progress in reaching the  
27 recommendations set forth in the Michigan after-school initiative's

1 report to the legislature and governor.

2       Sec. 226. (1) In addition to the funds appropriated in part 1,  
3 there is appropriated an amount not to exceed \$2,000,000.00 for  
4 federal contingency funds. These funds are not available for  
5 expenditure until they have been transferred to another line item  
6 in this act under section 393(2) of the management and budget act,  
7 1984 PA 431, MCL 18.1393.

8       (2) In addition to the funds appropriated in part 1, there is  
9 appropriated an amount not to exceed \$1,000,000.00 for state  
10 restricted contingency funds. These funds are not available for  
11 expenditure until they have been transferred to another line item  
12 in this act under section 393(2) of the management and budget act,  
13 1984 PA 431, MCL 18.1393.

14       (3) In addition to the funds appropriated in part 1, there is  
15 appropriated an amount not to exceed \$100,000.00 for local  
16 contingency funds. These funds are not available for expenditure  
17 until they have been transferred to another line item in this act  
18 under section 393(2) of the management and budget act, 1984 PA 431,  
19 MCL 18.1393.

20       (4) In addition to the funds appropriated in part 1, there is  
21 appropriated an amount not to exceed \$750,000.00 for private  
22 contingency funds. These funds are not available for expenditure  
23 until they have been transferred to another line item in this act  
24 under section 393(2) of the management and budget act, 1984 PA 431,  
25 MCL 18.1393.

26       Sec. 228. Within 10 days of the receipt of a grant  
27 appropriated in the federal, local and private grants line item in

1 part 1, the department shall notify the house and senate  
2 chairpersons of the appropriations subcommittees responsible for  
3 the department budget, the house and senate fiscal agencies, and  
4 the state budget director of the receipt of the grant, including  
5 the funding source, purpose, and amount of the grant.

6 **MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS**

7 Sec. 401. (1) The MCACA in the department shall administer the  
8 arts and cultural grants appropriated in part 1.

9 (2) The MCACA shall render fair and independent decisions  
10 concerning arts and cultural grant requests and shall do all of the  
11 following:

12 (a) Use published criteria to evaluate program quality,  
13 including all of the following:

14 (i) The department's intended goals and outcomes for each  
15 program.

16 (ii) The department's quantifiable measures of success in  
17 meeting the intended goals and outcomes.

18 (b) Seek to award grants on an equitable geographic basis to  
19 the extent possible given the quality of grant applications  
20 received.

21 (c) Give priority to projects that serve multiple counties,  
22 leverage significant additional public and private investment, or  
23 demonstrate a significant potential to increase tourism or attract  
24 or retain businesses or residents.

25 (3) No payment shall be made under part 1 except upon  
26 application submitted in accordance with MCACA published criteria

1 and procedures, which shall ensure both of the following:

2 (a) Artistic excellence and artistic merit are the criteria by  
3 which applications will be judged, taking into consideration  
4 general standards of decency and respect for the diverse beliefs  
5 and values of the people of this state.

6 (b) Criteria clearly indicate that obscenity is without  
7 artistic merit, is not protected speech, and will not be funded by  
8 a grant from appropriations under part 1.

9 (4) The MCACA shall provide for fair, equitable, and efficient  
10 distribution of funds granted through the regional regranting  
11 program. The MCACA shall provide for an annual assessment of grant  
12 management and distribution of mini-grant awards by designated  
13 regional regranting agencies and review the methodology employed.

14 (5) The MCACA shall continue and expand its efforts to  
15 encourage and support nonprofit arts and cultural organizations to  
16 transition from solely volunteer-based organizations to  
17 professionally directed operations. Criteria for support include  
18 the requirement of collaboration between these organizations and  
19 other community organizations.

20 (6) The department shall withhold undistributed grant payments  
21 from a grant recipient who violates the requirements for funding in  
22 subsection (3) and may disqualify the grant recipient from award of  
23 future grants for a period of not more than 3 years.

24 Sec. 402. The MCACA may award grants to counties, cities,  
25 villages, townships, community foundations and organizations in the  
26 following categories:

27 (a) Anchor organization program for organizations that serve

1 regional and statewide audiences. Anchor organizations shall  
2 demonstrate a commitment to education, to mentoring smaller  
3 organizations, and to reaching underserved audiences.

4 (b) Arts projects program.

5 (c) Arts and learning program.

6 (d) Artists in residence for education program.

7 (e) Arts organization development program.

8 (f) Capital improvement program.

9 (g) Local arts agencies services program.

10 (h) Regional regranting program.

11 (i) Partnership program.

12 (j) Rural arts and cultural program.

13 (k) Cultural projects program.

14 (l) Historical society projects program.

15 (m) Discretionary grants program.

16 (n) Cultural and ethnic heritage centers and museums.

17 Sec. 403. (1) From the state funds appropriated in part 1 for  
18 arts and cultural grants, no one organization may receive more than  
19 15% of this funding.

20 (2) The MCACA shall make every effort to provide total grant  
21 awards in the anchor organization program at a level not to exceed  
22 70% of the total amount appropriated for arts and cultural grants.

23 (3) As documented in the audit report that is submitted as  
24 part of the grant application process, the total of all grants  
25 awarded to any organization receiving grants within the anchor  
26 organization program may not exceed 15% of their "total  
27 unrestricted revenues, gains, and other support", as defined by the

1 financial accounting standards board in the accounting standards  
2 for not-for-profit organizations or equivalent accounting standards  
3 for other types of eligible organizations.

4 (4) Before any amount appropriated for arts and cultural  
5 grants in part 1 may be expended for a grant to an eligible  
6 recipient, the department shall execute a grant agreement with the  
7 recipient. The grant agreement shall identify the projects funded,  
8 specify the category in section 402 under which the grant is  
9 awarded, and include the prohibitions and sanctions identified in  
10 section 401(3) and (6).

11 Sec. 404. Grant applicants must meet and adhere to the  
12 following requirements:

13 (a) Each applicant shall pay a nonrefundable application fee  
14 of \$300.00 or 3% of the desired grant amount, whichever is less.  
15 Application fees shall be deposited in the history, arts and  
16 libraries fund established in section 216. The department may use  
17 the application fee to offset its direct and indirect costs.

18 (b) An applicant for a grant under the anchor organization  
19 program shall submit with the application the applicant's most  
20 recent annual audit report which states their "total unrestricted  
21 revenues, gains, and other support", as defined by the financial  
22 accounting standards board in the accounting standards for not-for-  
23 profit organizations or equivalent accounting standards for other  
24 types of eligible organizations. The audit report must cover an  
25 audit period that ends within 18 months of the date of the  
26 application.

27 (c) Each applicant shall identify proposed matching funds from

1 local and/or private sources on a minimum of a dollar-for-dollar  
2 basis. The match may include the reasonable value of services,  
3 materials, and equipment as allowed under the federal internal  
4 revenue code for charitable contributions.

5 Sec. 405. Each grant recipient shall provide the MCACA with  
6 the following:

7 (a) Proof of the entire amount of the matching funds,  
8 services, materials, or equipment by the end of the award period.

9 (b) Within 30 days following the end of the grant period, a  
10 final report that includes the following:

11 (i) Project revenues and expenditures including grant matching  
12 fund amounts.

13 (ii) Number of patrons attracted or benefiting during the grant  
14 period.

15 (iii) A narrative summary of each project and its outcome.

16 (c) By April 7 of the grant year, each recipient of a grant  
17 greater than \$100,000.00 shall submit an interim report that  
18 includes the items identified in subdivision (b).

19 Sec. 406. (1) The department shall make the following reports:

20 (a) A report identifying the website location that contains a  
21 list of all grant recipients, sorted by county. This report shall  
22 be provided to each legislator within 1 business day of the  
23 announcement of annual awards by the MCACA.

24 (b) A report to the senate and house of representatives  
25 appropriations subcommittees, the state budget director, and the  
26 fiscal agencies, within 30 days after the MCACA announces the  
27 annual grant awards, that includes all of the following:

1 (i) A listing of each applicant.

2 (ii) The county of residence or domicile of the applicant.

3 (iii) The amount requested.

4 (iv) The amount awarded.

5 (v) The grant category under which an applicant applied.

6 (vi) A summary of projects funded for each recipient.

7 (vii) The expected number of patrons for an applicant during  
8 the grant period.

9 (viii) The amount of matching funds proposed by each applicant.

10 (ix) A listing containing the applicant, county of residence or  
11 domicile of the applicant, and amount awarded for any regranted  
12 funds in the preceding fiscal year.

13 (c) An annual report to the appropriations subcommittees, the  
14 state budget director, and the fiscal agencies is due when  
15 materials are first distributed by the MCACA seeking grant  
16 applications for the subsequent fiscal year. The report shall  
17 contain the following:

18 (i) The MCACA guidelines for awarding grants.

19 (ii) A summary of any changes in the program guidelines from  
20 the previous fiscal year.

21 (2) The council shall report to the chairpersons of the senate  
22 and house of representatives appropriations subcommittees on  
23 history, arts and libraries by August 1 all unexpended or  
24 unencumbered discretionary grant funding that is available. The  
25 council shall not redistribute any unexpended or unencumbered grant  
26 funds during the fiscal year without a 10-day notice to the  
27 chairpersons of the senate and house of representatives

1 appropriations subcommittees on history, arts and libraries.

2 **MICHIGAN HISTORICAL PROGRAM**

3       Sec. 501. The federal funds appropriated in part 1 for the  
4 historic site preservation grants are for work projects and shall  
5 not lapse at the end of the fiscal year but shall continue to be  
6 available for expenditure until the projects for which the funds  
7 were reserved have been completed or are terminated. The purpose of  
8 these work projects is the identification, designation,  
9 rehabilitation, and preservation of historic resources. The method  
10 used will be to solicit applications, score applications based upon  
11 established criteria, and award subgrants. The department shall  
12 execute a grant agreement with each recipient. The total cost is  
13 \$85,000.00, and the tentative completion date is September 30,  
14 2009.

15       Sec. 502. Funds collected by the department under sections 6,  
16 7, and 7a of 1913 PA 271, MCL 399.6, 399.7, and 399.7a, are  
17 appropriated to the department for the purposes for which they were  
18 received, upon receipt.

19       Sec. 503. For the purposes of administering the museum store  
20 as provided in section 7a of 1913 PA 271, MCL 399.7a, the  
21 department is exempt from section 261 of the management and budget  
22 act, 1984 PA 431, MCL 18.1261.

23       Sec. 505. From the funds appropriated in part 1 for historical  
24 administration and services, \$25,000.00 may be allocated to support  
25 the operations of the Michigan freedom trail commission as  
26 specified in section 4 of the Michigan freedom trail commission

1 act, 1998 PA 409, MCL 399.84. These funds shall be used to  
2 reimburse commission members, to pay for necessary contractual  
3 services of the commission, and to hire not more than 1.0 FTE  
4 position in the department's Michigan historical center to support  
5 commission operations.

6 Sec. 506. Proceeds in excess of costs incurred in the conduct  
7 of auctions, sales, or transfers of artifacts no longer considered  
8 suitable for the collections of the state historical museum are  
9 appropriated to the department and may be expended upon receipt for  
10 additional material for the collection.

11 **LIBRARY OF MICHIGAN**

12 Sec. 601. In order to receive subregional state aid as  
13 appropriated in part 1 to the library of Michigan, a subregional  
14 library's fiscal agency must agree to maintain local funding  
15 support at the same level in the current fiscal year as in the  
16 fiscal agency's preceding fiscal year. If a reduction in  
17 expenditures equally affects all agencies in a local unit of  
18 government that is the subregional library's fiscal agency, that  
19 reduction shall not be interpreted as a reduction in local support  
20 and shall not disqualify a subregional library from receiving state  
21 aid under part 1. If a reduction in income affects a library  
22 cooperative or district library that is a subregional library's  
23 fiscal agency or a reduction in expenditures for the subregional  
24 library's fiscal agency, a reduction in expenditures for the  
25 subregional library shall not be interpreted as a reduction in  
26 local support and shall not disqualify a subregional library from

1 receiving state aid under part 1.

2       Sec. 602. The funds appropriated in part 1 for a subregional  
3 library shall not be released until a budget for that subregional  
4 library has been approved by the department for expenditures for  
5 library services directly serving the blind and persons with  
6 disabilities.

7       Sec. 607. The funds appropriated in part 1 for book  
8 distribution centers shall be distributed equally to the public  
9 enrichment foundation and the Michigan friends of education.