

Act No. 254
 Public Acts of 2008
 Approved by the Governor*
 July 17, 2008
 Filed with the Secretary of State
 July 18, 2008
 EFFECTIVE DATE: July 18, 2008

*Item Vetoes

Sec. 106. MICHIGAN HISTORICAL PROGRAM

Michigan history day	\$	25,000	(Page 3)
Local historical society grant program	\$	25,000	

Sec. 508.

Entire Section. (Page 10)

**STATE OF MICHIGAN
 94TH LEGISLATURE
 REGULAR SESSION OF 2008**

Introduced by Rep. Vagnozzi

ENROLLED HOUSE BILL No. 5804

AN ACT 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 act, the amounts listed in this part are appropriated for the department of history, arts, and libraries for the fiscal year ending September 30, 2009, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

APPROPRIATION SUMMARY:

Full-time equated unclassified positions		6.0	
Full-time equated classified positions		226.0	
GROSS APPROPRIATION	\$	52,897,000	
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers		668,600	
ADJUSTED GROSS APPROPRIATION	\$	52,228,400	
Federal revenues:			
Total federal revenues		7,757,400	
Special revenue funds:			
Total local revenues		200,000	
Total private revenues		312,400	
Total other state restricted revenues		4,167,800	
State general fund/general purpose	\$	39,790,800	

Sec. 102. DEPARTMENT OPERATIONS

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	28.0	
Unclassified salaries		\$ 228,600
Management services—26.0 FTE positions		2,114,600
Building occupancy charges and rent		3,671,900
Worker's compensation		8,000
Records center relocation expenses		870,000
Federal, local, and private grants		600,000
Cultural economic development—2.0 FTE positions		360,600
Internal audit services		170,800
GROSS APPROPRIATION		\$ 8,024,500
Appropriated from:		
Interdepartmental grant revenues:		
IDG-agency relocation assessments		551,300
Federal revenues:		
Federal funds		200,000
Special revenue funds:		
Private revenues		200,000
Local revenues		200,000
History, arts, and libraries fund		100,000
State general fund/general purpose		\$ 6,773,200

Sec. 103. INFORMATION TECHNOLOGY

Information technology services and projects		\$ 1,274,800
GROSS APPROPRIATION		\$ 1,274,800
Appropriated from:		
Mackinac Island state park fund		46,900
State general fund/general purpose		\$ 1,227,900

Sec. 104. COUNCIL FOR ARTS AND CULTURAL AFFAIRS

Full-time equated classified positions	5.0	
Administration—5.0 FTE positions		\$ 529,300
Arts and cultural grants		8,037,900
GROSS APPROPRIATION		\$ 8,567,200
Appropriated from:		
NFAH-NEA, promotion of the arts, partnership agreements		850,000
History, arts, and libraries fund		150,000
State general fund/general purpose		\$ 7,567,200

Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION

Full-time equated classified positions	39.0	
Mackinac Island park operation—24.0 FTE positions		\$ 1,671,500
Historical facilities system—15.0 FTE positions		2,055,100
GROSS APPROPRIATION		\$ 3,726,600
Appropriated from:		
Federal funds		200,000
Mackinac Island state park operation fund		163,200
Mackinac Island state park fund		1,571,100
History, arts, and libraries fund		200,000
State general fund/general purpose		\$ 1,592,300

Sec. 106. MICHIGAN HISTORICAL PROGRAM

Full-time equated classified positions	83.0	
Historical administration and services—63.0 FTE positions		\$ 5,960,400
State historic preservation programs (federal)—12.0 FTE positions		950,000
Heritage publications—1.0 FTE position		700,000
Special programs—1.0 FTE position		112,400

	For Fiscal Year Ending Sept. 30, 2009
Thunder Bay national marine sanctuary and underwater preserve—1.0 FTE position.....	\$ 202,000
Michigan history day.....	25,000
Museum stores—4.0 FTE positions	500,000
Lighthouse preservation program—1.0 FTE position.....	250,000
Local historical society grant program.....	25,000
GROSS APPROPRIATION.....	\$ 8,724,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDOT, comprehensive transportation fund	3,900
IDG-MDOT, state aeronautics fund	2,500
IDG-MDOT, state trunkline fund	110,900
Federal revenues:	
DOI-NPS, historic preservation grants-in-aid	950,000
Special revenue funds:	
Private - grants and gifts	10,000
Private - Mann house trust fund	102,400
Game and fish protection fund	3,500
Michigan heritage publications fund	700,000
History, arts, and libraries fund	171,000
Marine safety fund	400
Michigan lighthouse preservation fund	250,000
Museum operations fund	500,000
Special revenue, internal service and pension trust	72,700
State lottery fund	20,400
State services fee fund	12,800
Waterways fund.....	800
State general fund/general purpose	\$ 5,813,500

Sec. 107. LIBRARY OF MICHIGAN

Full-time equated classified positions	71.0
Book distribution centers	\$ 360,000
Library of Michigan operations—69.0 FTE positions.....	6,156,700
Library services and technology program—2.0 FTE positions	5,557,400
State aid to libraries	10,000,000
Subregional state aid	505,000
GROSS APPROPRIATION.....	\$ 22,579,100
Appropriated from:	
IMLS: library services and technology act.....	5,557,400
History, arts, and libraries fund	205,000
State general fund/general purpose	\$ 16,816,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2008-2009 is \$43,958,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$11,228,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

Arts and cultural grants.....	\$ 723,400
State aid to libraries	10,000,000
Subregional state aid	505,000
Total department of history, arts, and libraries	\$ 11,228,400

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

Sec. 203. As used in this appropriation act:

- (a) "Department" means the department of history, arts, and libraries.
- (b) "Director" means the director of the department of history, arts, and libraries.
- (c) "DOI-NPS" means the United States department of interior, national park service.
- (d) "Fiscal agencies" means the house fiscal agency and the senate fiscal agency.
- (e) "FTE" means full-time equated.
- (f) "IDG" means interdepartmental grant.
- (g) "IMLS" means institute of museum and library services.
- (h) "MCACA" means the Michigan council for arts and cultural affairs.
- (i) "MDOT" means the Michigan department of transportation.
- (j) "NEA" means the national endowment for the arts.
- (k) "NFAH" means the national foundation of the arts and the humanities.
- (l) "Subcommittees" means all members of the appropriate subcommittees of the senate and house of representatives appropriations committees.

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

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

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

Sec. 208. The department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

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

Sec. 210. (1) The department shall report no later than April 1, 2009 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the senate and house appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

(2) Funds appropriated in part 1 shall not be used by the department to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(3) As used in this section:

(a) "Rule" means that term as defined under section 7 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

(b) "Small business" means that term as defined under section 7a of the administrative procedures act of 1969, 1969 PA 306, MCL 24.207a.

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

Sec. 213. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. The user fees are subject to provisions of an interagency agreement between the department and the department of information technology.

Sec. 214. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

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

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

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

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

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

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

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

(g) Application and other fees.

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

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

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

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

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

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

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

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

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

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

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

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

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in

part with funds appropriated in the department's budget. The report shall be submitted to the senate and house of representatives standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

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

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

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

Sec. 217a. The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless the professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from a department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

Sec. 218. It is the intent of the legislature to explore supplemental fund sourcing options for the department.

Sec. 219. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

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

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

Sec. 224. (1) The department of history, arts, and libraries shall collaborate with the state board of education, the department of human services, the department of community health, and the department of labor and economic growth to extend the duration of the Michigan after-school partnership and to oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

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

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

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

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

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

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

Sec. 227. From the funds appropriated in part 1, the department shall implement continuous improvement efficiency mechanisms in the programs administered by the department. The continuous improvement efficiency mechanisms shall identify changes made in programs to increase efficiency and reduce expenditures in the programs. On March 31, 2009 and September 30, 2009, the department shall submit a report to the state budget director, the senate and house appropriation subcommittees, and the senate and house fiscal agencies on the progress made toward increased efficiencies in department programs. At a minimum, each report shall include information on the program review process, the type of improvement mechanisms implemented, and actual and projected expenditure savings as a result of the increased program efficiencies.

Sec. 228. Within 10 days of the receipt of a grant appropriated in the federal, local and private grants line item in part 1, the department shall notify the house and senate chairpersons of the appropriations subcommittees responsible for the department budget, the house and senate fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS

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

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

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

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

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

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

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

(3) No payment shall be made under part 1 except upon application submitted in accordance with MCACA published criteria and procedures, which shall ensure both of the following:

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

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

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

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

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

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

(a) Anchor organization program for organizations that serve regional and statewide audiences. Anchor organizations shall demonstrate a commitment to education, to mentoring smaller organizations, and to reaching underserved audiences.

(b) Arts projects program.

(c) Arts and learning program.

- (d) Artists in residence for education program.
- (e) Arts organization development program.
- (f) Capital improvement program.
- (g) Local arts agencies services program.
- (h) Regional regranting program.
- (i) Partnership program.
- (j) Rural arts and cultural program.
- (k) Cultural projects program.
- (l) Historical society projects program.
- (m) Discretionary grants program.
- (n) Cultural and ethnic heritage centers and museums.

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

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

(3) As documented in the audit report that is submitted as part of the grant application process, the total of all grants awarded to any organization receiving grants within the anchor organization program may not exceed 15% of their “total unrestricted revenues, gains, and other support”, as defined by the financial accounting standards board in the accounting standards for not-for-profit organizations or equivalent accounting standards for other types of eligible organizations.

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

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

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

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

(c) Each applicant shall identify proposed matching funds from local and/or private sources on a minimum of a dollar-for-dollar basis. The match may include the reasonable value of services, materials, and equipment as allowed under the federal internal revenue code for charitable contributions.

(d) Each applicant for a grant which charges admission to their institution may offer a discounted rate for admission to current and former United States servicemen and servicewomen, firefighters, police officers, and first responders.

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

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

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

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

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

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

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

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

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

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

- (i) A listing of each applicant.
- (ii) The county of residence or domicile of the applicant.
- (iii) The amount requested.
- (iv) The amount awarded.
- (v) The grant category under which an applicant applied.
- (vi) A summary of projects funded for each recipient.
- (vii) The expected number of patrons for an applicant during the grant period.
- (viii) The amount of matching funds proposed by each applicant.

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

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

- (i) The MCACA guidelines for awarding grants.
- (ii) A summary of any changes in the program guidelines from the previous fiscal year.

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

MICHIGAN HISTORICAL PROGRAM

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

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

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

Sec. 505. From the funds appropriated in part 1 for historical administration and services, \$25,000.00 shall be allocated to support the operations of the Michigan freedom trail commission as specified in section 4 of the Michigan freedom trail commission act, 1998 PA 409, MCL 399.84. These funds shall be used to reimburse commission members, to pay for necessary contractual services of the commission, and to hire not more than 1.0 FTE position in the department's Michigan historical center to support commission operations.

Sec. 506. Proceeds in excess of costs incurred in the conduct of auctions, sales, or transfers of artifacts no longer considered suitable for the collections of the state historical museum are appropriated to the department and may be expended upon receipt for additional material for the collection. The department shall notify the chairpersons, vice chairpersons, and minority vice chairpersons of the senate and house appropriations subcommittees on history, arts, and libraries 1 week prior to any auctions or sales.

Sec. 507. Unless prohibited by law, the department shall make available to the historical society of Michigan the use of the Michigan history magazine subscriber list, or a portion of the Michigan history magazine subscriber list, at a cost not to exceed the actual expense incurred for providing a single mailing.

Sec. 508. Of the funds appropriated in part 1 for the local historical society grant program, funds shall be used for a competitive grant program for all state and local historical societies. Awards shall be made for projects that can leverage additional public and private investment and may involve, but are not limited to, capital improvements projects, restorations, research, educational programs, and publications. No single grant award shall exceed \$2,000.00.

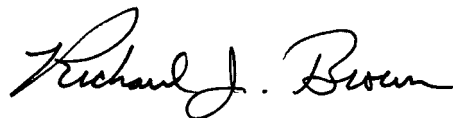
LIBRARY OF MICHIGAN

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

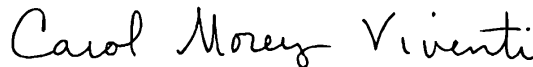
Sec. 602. The funds appropriated in part 1 for a subregional library shall not be released until a budget for that subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor