

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5519

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to provide for the disbursement of certain grants; to provide for reports; to prescribe powers and duties of certain state departments and certain state and local agencies and officers; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

PART 1

2

LINE-ITEM APPROPRIATIONS

3

Sec. 101. Subject to the conditions set forth in this act, the

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amounts listed in this part are appropriated for the department of

5

history, arts, and libraries for the fiscal year ending September 30,

6

2005, from the funds indicated in this part. The following is a

House Bill No. 5519 as amended June 1, 2004

1 summary of the appropriations in this part:

2 DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

3 APPROPRIATION SUMMARY:

4	Full-time equated unclassified positions.....	6.0	
5	Full-time equated classified positions.....	232.0	
6	GROSS APPROPRIATION.....		\$ <<57,137,800>>

7	Interdepartmental grant revenues:		
8	Total interdepartmental grants and intradepartmental		
9	transfers.....		138,800

10	ADJUSTED GROSS APPROPRIATION.....		\$ <<56,999,000>>
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11	Federal revenues:		
12	Total federal revenues.....		8,151,300

13	Special revenue funds:		
14	Total local revenues.....		0
15	Total private revenues.....		577,400
16	Total other state restricted revenues.....		2,409,200
17	State general fund/general purpose.....		\$ <<45,861,100>>

18 Sec. 102. DEPARTMENT OPERATIONS

19	Full-time equated unclassified positions.....	6.0	
20	Full-time equated classified positions.....	29.0	
21	Unclassified salaries.....		\$ 219,300
22	Management services--28.0 FTE positions.....		1,882,500
23	Building occupancy charges and rent.....		2,678,500
24	Worker's compensation.....		16,900
25	Film office--1.0 FTE positions.....		134,200
26	Human resources optimization user charges.....		<u>29,400</u>
27	GROSS APPROPRIATION.....		\$ 4,960,800

1	Appropriated from:		
2	Special revenue funds:		
3	State general fund/general purpose.....	\$	4,960,800
4	Sec. 103. INFORMATION TECHNOLOGY		
5	Information technology services and projects.....	\$	<u>950,600</u>
6	GROSS APPROPRIATION.....	\$	950,600
7	Appropriated from:		
8	Interdepartmental grant revenues:		
9	IDG-MDOT, comprehensive transportation fund.....		200
10	IDG-MDOT, state aeronautics fund.....		100
11	IDG-MDOT, state trunkline fund.....		3,100
12	Special revenue funds:		
13	Game and fish protection fund.....		100
14	Mackinac Island state park fund.....		39,500
15	Special revenue, internal service and pension trust.		2,700
16	State lottery fund.....		900
17	State general fund/general purpose.....	\$	904,000
18	Sec. 104. COUNCIL FOR ARTS AND CULTURAL AFFAIRS		
19	Full-time equated classified positions.....9.0		
20	Administration--9.0 FTE positions.....	\$	707,800
21	Arts and cultural grants.....		<u>11,871,300</u>
22	GROSS APPROPRIATION.....	\$	12,579,100
23	Appropriated from:		
24	Federal revenues:		
25	NFAH-NEA, promotion of the arts, partnership		
26	agreements.....		700,000
27	Special revenue funds:		

1	State general fund/general purpose.....	\$	11,879,100
2	Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION		
3	Full-time equated classified positions.....		39.0
4	Mackinac Island park operation--24.3 FTE positions..	\$	1,354,200
5	Historical facilities system--14.7 FTE positions....		<u>1,645,600</u>
6	GROSS APPROPRIATION.....	\$	2,999,800
7	Appropriated from:		
8	Special revenue funds:		
9	Mackinac Island state park operation fees.....		150,000
10	Mackinac Island state park fund.....		1,329,200
11	State general fund/general purpose.....	\$	1,520,600
12	Sec. 106. MICHIGAN HISTORICAL PROGRAM		
13	Full-time equated classified positions.....		83.0
14	Historical administration and services--71.0 FTE		
15	positions.....	\$	5,255,300
16	Federal programs--12.0 FTE positions.....		1,893,900
17	Heritage publications.....		700,000
18	Private grants and gifts.....		502,400
19	Thunder Bay national marine sanctuary and underwater		
20	preserve.....		189,500
21	Historical grants.....		<u>40,000</u>
22	GROSS APPROPRIATION.....	\$	8,581,100
23	Appropriated from:		
24	Interdepartmental grant revenues:		
25	IDG-MDOT, comprehensive transportation fund.....		5,700
26	IDG-MDOT, state aeronautics fund.....		3,400
27	IDG-MDOT, state trunkline fund.....		126,300

House Bill No. 5519 as amended June 1, 2004

1	Federal revenues:	
2	DOI-NPS, historic preservation grants-in-aid.....	1,348,000
3	Federal funds.....	545,900
4	Special revenue funds:	
5	Private - grants and gifts.....	400,000
6	Private - Mann house trust fund.....	102,400
7	Game and fish protection fund.....	3,600
8	Heritage publication fund.....	700,000
9	Marine safety fund.....	500
10	Special revenue, internal service and pension trust.	70,700
11	State lottery fund.....	24,300
12	Waterways fund.....	800
13	State general fund/general purpose..... \$	5,249,500
14	Sec. 107. LIBRARY OF MICHIGAN	
15	Full-time equated classified positions.....72.0	
16	Book distribution centers..... \$	327,400
17	Collected gifts and fees.....	161,900
18	Library of Michigan operations--72.0 FTE positions..	6,313,000
19	Library services and technology act.....	5,557,400
20	State aid to libraries.....	13,832,100
21	Subregional state aid.....	504,900
22	Wayne County library for the blind and physically	
23	handicapped.....	44,700
24	Preservation and access for Michigan project.....	<u><<325,000>></u>
25	GROSS APPROPRIATION..... \$	<<27,066,400>>
26	Appropriated from:	
27	Federal revenues:	

House Bill No. 5519 as amended June 1, 2004

1	Library services and technology act.....	5,557,400
2	Special revenue funds:	
3	Private - gifts and bequests revenues.....	75,000
4	User fees.....	86,900
5	State general fund/general purpose..... \$	<<21,347,100>>

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

9 Sec. 201. Pursuant to section 30 of article IX of the state
10 constitution of 1963, total state spending from state resources under
11 part 1 for fiscal year 2004-2005 is \$49,770,300.00 and state spending
12 from state resources to be paid to local units of government for
13 fiscal year 2004-2005 is \$18,068,200.00. The itemized statement below
14 identifies appropriations from which spending to units of local
15 government will occur:

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

17	Arts and cultural grants..... \$	3,686,500
18	State aid to libraries.....	13,832,100
19	Subregional state aid.....	504,900
20	Wayne County library for the blind and physically	
21	handicapped.....	<u>44,700</u>
22	Total department of history, arts, and libraries.... \$	18,068,200

23 Sec. 202. The appropriations authorized under this act are
24 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to
25 18.1594.

26 Sec. 203. As used in this appropriation act:

27 (a) "Department" means the department of history, arts, and

1 libraries.

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

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

6 (d) "Fiscal agencies" means the house fiscal agency and
7 the senate fiscal agency.

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

9 (f) "IDG" means interdepartmental grant.

10 (g) "MDOT" means the Michigan department of transportation.

11 (h) "NEA" means the national endowment for the arts.

12 (i) "NFAH" means the national foundation of the arts and the
13 humanities.

14 (j) "Subcommittees" means all members of the appropriate
15 subcommittees of the house and senate appropriations committees.

16 Sec. 204. The department of civil service shall bill the
17 departments at the end of the first fiscal quarter for the 1% charge
18 authorized by section 5 of article XI of the state constitution of
19 1963. Payments shall be made for the total amount of the billing by
20 the end of the second fiscal quarter.

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

27 (2) The hiring freeze described in subsection (1) does not apply

1 to any classified state civil service position that meets any of the
2 following criteria:

3 (a) Filling the vacant position will directly prevent the loss of
4 federal funding.

5 (b) The vacant position deals directly with the direct provision
6 of public safety services including prison officers, law enforcement
7 officers, and child services enforcement workers.

8 (c) The vacant position provides direct health care services
9 including physicians, nurses, and other direct health care providers.

10 (3) The state budget director shall report quarterly to the
11 chairpersons of the senate and house of representatives standing
12 committees on appropriations the number of new state classified civil
13 service employees hired during the previous quarter and the reasons to
14 justify the hiring.

15 Sec. 207. At least 60 days before beginning any effort to
16 privatize, the department shall submit a complete project plan to the
17 subcommittees and the fiscal agencies. The plan shall include the
18 criteria under which the privatization initiative will be evaluated.
19 The evaluation shall be completed and submitted to the fiscal agencies
20 and to the subcommittees within 30 months.

21 Sec. 208. Unless otherwise specified, the department receiving
22 appropriations in part 1 shall use the Internet to fulfill the
23 reporting requirements of this act. This may include transmission of
24 reports via electronic mail to the recipients identified for each
25 reporting requirement or it may include placement of reports on the
26 Internet or Intranet site.

27 Sec. 209. Funds appropriated in part 1 shall not be used for the

1 purchase of foreign goods or services, or both, if competitively
2 priced and of comparable quality American goods or services, or both,
3 are available. Preference should be given to goods or services, or
4 both, manufactured or provided by Michigan businesses if they are
5 competitively priced and of comparable value.

6 Sec. 210. The director shall take all reasonable steps to ensure
7 businesses in deprived and depressed communities compete for and
8 perform contracts to provide services or supplies, or both. The
9 director shall strongly encourage firms with which the department
10 contracts to subcontract with certified businesses in depressed and
11 deprived communities for services, supplies, or both.

12 Sec. 211. The department shall establish and maintain
13 affirmative action programs based on guidelines developed by the state
14 equal opportunity workforce planning council which was created by
15 Executive Order No. 1996-13 in order to receive general fund/general
16 purpose dollars.

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

23 Sec. 214. Amounts appropriated in part 1 for information
24 technology may be designated as work projects and carried forward to
25 support technology projects under the direction of the department of
26 information technology. Funds designated in this manner are not
27 available for expenditure until approved as work projects under

1 section 451a of the management and budget act, 1984 PA 431,
2 MCL 18.1451a.

3 Sec. 215. The department may provide and enter into agreements
4 to provide general services, training, meetings, information, special
5 equipment, software, and facility use, and technical consulting
6 services to other principal executive departments, state agencies,
7 local units of government, the judicial branch of government, other
8 organizations, and patrons of department facilities. Fees for
9 services shall be reasonably related to the cost of providing the
10 services and shall be used to offset the costs of the services. The
11 department may receive and expend funds in addition to those
12 authorized in part 1 for the following:

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

16 (b) Microfilming and other document and data imaging services,
17 media, storage, and copies.

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

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

21 (e) Use of specialized equipment, facilities, and software that
22 permit distance learning and meetings, and group decision making.
23 Funds not expended at year-end may be carried forward and expended for
24 the same purposes for which they were originally received.

25 (f) Special services including the rental of department exhibits
26 and collections. Funds not expended at year-end may be carried
27 forward and expended for the same purposes for which they were

1 originally received. The funds received under this section may be
2 deposited and expended from the history, arts, and libraries service
3 fund created in section 216.

4 Sec. 216. A fund known as the history, arts, and libraries
5 service fund is created in the department. The fund may be used to
6 receive and expend funds in addition to those authorized in part 1.
7 The fund balance may be carried forward by the department for
8 expenditure in subsequent fiscal years.

9 Sec. 217. (1) The department shall not spend any of the funds
10 appropriated in part 1 for travel outside the state of Michigan.

11 (2) From the funds appropriated in part 1, the department shall
12 spend on travel in fiscal year 2004-2005 no more than 50% of the
13 amount spent on travel in fiscal year 2003-2004.

14 Sec. 218. It is the intent of the legislature to explore
15 supplemental fund sourcing options for the department of history,
16 arts, and libraries.

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

18 Sec. 401. (1) The Michigan council for arts and cultural affairs
19 in the department shall administer the arts and cultural grants
20 appropriated in part 1. The council shall provide for fair and
21 independent decisions on arts and cultural grant requests based upon
22 published criteria to evaluate program quality. These criteria shall
23 include a prohibition of art projects that include displays of human
24 wastes on religious symbols, displays of sex acts, and depictions of
25 flag desecration. The council shall seek to award grants on an
26 equitable geographic basis to the extent possible given the quality of

1 grant applications received. Priority shall be given to projects that
2 serve multiple counties and that leverage significant additional
3 public and private investment. Counties, cities, villages, townships,
4 community foundations, and organizations, including science
5 museums/centers, may apply for the following categories of grants:

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

10 (b) Arts projects program.

11 (c) Arts and learning program.

12 (d) Artists in residence for education program.

13 (e) Arts organization development program.

14 (f) Capital improvement program.

15 (g) Local arts agencies services program.

16 (h) Regional regranting program.

17 (i) Partnership program.

18 (j) Discretionary grants program.

19 (k) Rural arts and cultural program.

20 (l) Cultural projects program.

21 (m) Historical projects program.

22 (2) The appropriation for arts and cultural grants in part 1 and
23 disbursed under this section shall, at a minimum, be matched on an
24 equal dollar-for-dollar basis from local and private contributions
25 paid and received by each awardee receiving grants under this
26 section. The dollar-for-dollar match may include the reasonable value
27 of services, materials, and equipment as allowed under the federal

1 internal revenue code for charitable contributions subject also to the
2 preapproval of the match by the Michigan council for arts and cultural
3 affairs. The council shall receive proof of the entire amount of the
4 matching funds, services, materials, or equipment by the end of the
5 award period.

6 (3) Before any amount appropriated for arts and cultural grants in
7 part 1 may be expended for a grant to eligible applicants for the
8 purposes in this section, the department shall execute a grant
9 agreement with each grantee. The grant agreement shall specify the
10 criteria included in this section with which the application
11 complies. The grant agreement shall include a list of the projects
12 funded.

13 (4) Counties, cities, villages, townships, community foundations,
14 and organizations receiving funds under this section shall provide the
15 Michigan council for arts and cultural affairs with the following:

16 (a) A final report covering the grant period within 30 days after
17 the end of the grant period indicating at least the following:

18 (i) Project revenues and expenditures indicating grant matching
19 fund amounts.

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

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

23 (b) Awardees receiving grants greater than \$100,000.00 shall also
24 submit a report as identified in subdivision (a) on an interim basis
25 by April 7 of the grant year.

26 (5) The applicants for arts and cultural grants funds shall be
27 charged a nonrefundable application fee of \$300.00 or 3% of the grant,

1 whichever is less. The application fee may be used by the department
2 to recover direct and indirect costs as appropriated in part 1.

3 (6) It is the intent of the legislature that the Michigan council
4 for arts and cultural affairs continue to take appropriate steps to
5 ensure that all organizations receiving state arts anchor organization
6 grants have combined grant awards, as defined in subsection (8), of no
7 more than 15.0% of operating revenue for the fiscal year ending
8 September 30, 2005 and beyond. As used in this subsection, "operating
9 revenue" is defined in the same manner as it was defined during the
10 fiscal year 2000 state arts anchor organization application process.

11 (7) The council shall continue and expand its efforts to encourage
12 and support nonprofit arts and cultural organizations transitioning
13 from solely volunteer-based organizations to professionally directed
14 operations. This includes the provision of funds and services from
15 the arts organization development, partnership, arts projects, anchor
16 organization, and regional regranting programs as well as the rural
17 arts and culture initiative to support professional development within
18 these organizations. Criteria for support include the requirement of
19 collaboration between these organizations and other community
20 organizations.

21 (8) Any organizations receiving grants within the anchor
22 organization program category in excess of 10.0% of their operating
23 revenue for the fiscal year ending September 30, 2004 shall not
24 receive a combined grant award from all grant categories, except the
25 partnership program, that is greater than the combined grant award
26 from these categories that the organization received for the fiscal
27 year ending September 30, 2004. As used in this subsection,

1 "operating revenue" is defined in the same manner as it was defined
2 during the fiscal year 2000 state arts anchor organization application
3 process.

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

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

12 (11) The department shall submit 2 annual reports to the
13 appropriations subcommittees, the state budget office, and the fiscal
14 agencies as follows:

15 (a) The first report is due 30 days after the council makes the
16 annual grant awards. The report shall contain the following:

17 (i) A listing of each applicant.

18 (ii) The county of residence of an applicant.

19 (iii) The amount awarded.

20 (iv) The amount requested.

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

22 (vi) A summary of projects funded for each awardee.

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

25 (viii) The amount of matching funds proposed by an applicant.

26 (ix) The review score for each application.

27 (x) A listing containing the information in subparagraphs (i) to

1 (iii) for any regranted funds in the preceding fiscal year.

2 (b) The second report is due when materials are first distributed
3 by the council seeking grant applications for the subsequent fiscal
4 year. The report shall contain the following:

5 (i) The guidelines by which the council awards grants.

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

8 (iii) A summary of any initiatives the council is taking to
9 improve public access to the arts and culture, including, but not
10 limited to, the use of technology applications.

11 (12) Within 1 business day following the final council vote, the
12 department shall notify each legislator electronically regarding the
13 website location of the list of grant awardees by county receiving a
14 grant from arts and cultural grant funds appropriated in part 1.

15 (13) From the state funds appropriated in part 1 for arts and
16 cultural grants, no 1 organization may receive more than 18% of this
17 funding. It is the intent of the legislature that this percentage be
18 reduced to 17% in fiscal year 2006, 16% in fiscal year 2007, and 15%
19 in fiscal year 2008.

20 (14) Of the funds appropriated in part 1 for the arts and cultural
21 grants, discretionary grants program, funding shall be restricted to
22 only those costs associated with fees or dues required for membership
23 in the nonprofit midwest regional art organization.

24 (15) The council shall report to the house and senate
25 appropriations subcommittees on history, arts, and libraries by August
26 1 all unexpended or unencumbered grant funding that is available. The
27 council shall not redistribute any unexpended or unencumbered grant

1 funds during the fiscal year without a 10-day notice to these
2 subcommittees.

3 **MICHIGAN HISTORICAL PROGRAM**

4 Sec. 501. The federal funds appropriated in part 1 for the
5 historic site preservation grants are for work projects and shall not
6 lapse at the end of the fiscal year but shall continue to be available
7 for expenditure until the projects for which the funds were reserved
8 have been completed or are terminated. The purpose of these work
9 projects is the identification, designation, and preservation of
10 historic resources. The method used will be to solicit applications
11 from eligible recipients, score applications based upon established
12 criteria, and award the contracts and subgrants. The total cost is
13 \$1,348,000.00 and the tentative completion date is September 30,
14 2006.

15 Sec. 502. Funds collected by the department under sections 6, 7,
16 and 7a of 1913 PA 271, MCL 399.6, 399.7, and 399.7a, are appropriated
17 to the department for the purpose for which they were received and may
18 be carried forward for expenditure in subsequent fiscal years.

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

23 Sec. 504. (1) From the state funds appropriated in part 1, the
24 department may award discretionary historical grants to preserve
25 Michigan lighthouses. The department may award up to \$91,500.00 in
26 grants for this purpose and may use a portion of those funds to assist

1 in the transfer of lighthouses from federal ownership. A portion of
2 the funds may also be dedicated to program administration and project
3 coordination.

4 (2) The department shall allocate grant funds under this section
5 pursuant to eligibility and scoring requirements established by the
6 department. The method used will be to solicit applications from
7 eligible recipients, score applications based on the established
8 criteria, and award grants through executed contracts.

9 (3) Grants under this section may be awarded for purposes of
10 stabilization, rehabilitation, or other preservation work on a
11 Michigan lighthouse, but shall not be awarded for operational
12 purposes. The department shall not allocate a grant under this
13 section that exceeds \$40,000.00.

14 (4) The funds appropriated in part 1 and allocated by this section
15 are for work projects. The funds shall not lapse to the general fund
16 at the end of the fiscal year but shall remain available in subsequent
17 fiscal years, until funds have been expended, the projects for which
18 the funds were reserved have been completed, or the projects are
19 terminated, whichever occurs first.

20 Sec. 505. From the funds appropriated in part 1 for historical
21 administration and services, \$49,700.00 shall be allocated to support
22 the operations of the Michigan freedom trail commission as specified
23 in section 4 of the Michigan freedom trail commission act, 1998
24 PA 409, MCL 399.84. These funds shall be used to reimburse commission
25 members, to pay for necessary contractual services of the commission,
26 and to hire not more than 1.0 FTE position in the department's
27 Michigan historical center to support commission operations.

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

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

14 Sec. 508. From the funds appropriated in part 1 in the
15 historical administration and services line item, \$100,000.00 shall be
16 used to fund a competitive historical grant program. Eligible
17 applicants include all state and local historical societies and the
18 state historical preservation network. Awards shall be made for
19 projects that can leverage additional public and private investment
20 and may involve, but are not limited to, capital improvements
21 projects, restorations, research, educational programs, and
22 publications.

23 Sec. 509. Of the funds appropriated in part 1 for the historical
24 grants, \$25,000.00 shall be allocated to support Michigan History Day,
25 and \$15,000.00 shall be allocated to the Arenac County Historical
26 Society for the Charity Island lighthouse preservation project.

1 LIBRARY OF MICHIGAN

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

17 Sec. 602. The funds appropriated in part 1 for a subregional
18 library shall not be released until a budget for that subregional
19 library has been approved by the department for expenditures for
20 library services directly serving the blind and persons with
21 disabilities. Subregional state aid shall be used only for providing
22 services to the blind and to persons with disabilities.

23 Sec. 603. Of the funds appropriated in part 1 for the operation
24 of the library of Michigan, a portion may be used for statewide
25 database access such as making computerized databases, searches of
26 those databases, and the products of those searches available through
27 the libraries of Michigan. Only those libraries that qualify under

1 the federal library services and technology act, subtitle B of title
2 II of the museum and library services act, title II of the arts,
3 humanities, and cultural affairs act of 1976, Public Law 94-462, 110
4 Stat. 3009-295, are eligible to participate in these activities.

5 Sec. 607. Of the funds appropriated in part 1 for book
6 distribution centers, the public enrichment foundation shall receive
7 \$165,650.00 and the Michigan friends of education shall receive
8 \$161,750.00.

9 Sec. 609. The appropriation in part 1 for the preservation and
10 access for Michigan project shall be used to digitize materials
11 currently in the possession of libraries in the state and to preserve,
12 store, and make these digitized images accessible via the Michigan
13 electronic library. The subject materials are to be significant in
14 the state's history, the only existing copies of unique items, or of
15 broad interest to the citizens of Michigan. To the extent possible,
16 the department shall seek to award these funds on an equitable
17 geographic basis given the quality of proposals received. No single
18 recipient shall receive funding in excess of 20% of the total
19 appropriation.