Act No. 340 Public Acts of 2004 Approved by the Governor\* September 28, 2004

Filed with the Secretary of State September 28, 2004

EFFECTIVE DATE: September 28, 2004

\*Item Vetoes

#### Sec. 509.

The words: "and \$10,000.00 shall be allocated to the Arenac County Historical Society for the Charity Island lighthouse preservation project" (Page 8)

# STATE OF MICHIGAN **92ND LEGISLATURE REGULAR SESSION OF 2004**

Introduced by Rep. Shulman

APPROPRIATION SUMMARY:

# ENROLLED HOUSE BILL No. 5519

AN ACT 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 create funds; 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:

#### 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, 2005, from the funds indicated in this part. The following is a summary of the appropriations in this part:

#### DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

Full-time equated classified positions
GROSS APPROPRIATION
Interdepartmental grant revenues:
Total interdepartmental grants and intradepartmenta
ADJUSTED GROSS APPROPRIATION
Federal revenues:
Total federal revenues

1 un unic equated enablica positions		
GROSS APPROPRIATION	\$ 57,093,600	
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	139,000	
ADJUSTED GROSS APPROPRIATION	\$ 56,954,600	
Federal revenues:		
Total federal revenues	8,151,300	
Special revenue funds:		
Total local revenues	0	
Total private revenues	577,400	
Total other state restricted revenues	2,412,400	

45,813,500

		_000
Sec. 102. DEPARTMENT OPERATIONS		
Full-time equated unclassified positions		
Unclassified salaries	\$	219,300
Management services—28.0 FTE positions	Ψ	1,868,900
Building occupancy charges and rent		2,678,600
Worker's compensation		17,000
Film office—1.0 FTE positions		135,800
Human resources optimization user charges		29,500
GROSS APPROPRIATION	\$	4,949,100
Appropriated from:		
State general fund/general purpose	\$	4,949,100
Sec. 103. INFORMATION TECHNOLOGY		
Information technology services and projects		998,600
GROSS APPROPRIATION	\$	998,600
Appropriated from:		
Interdepartmental grant revenues:		200
IDG-MDOT, comprehensive transportation fund		200
IDG-MDOT, state aeronautics fund		100
IDG-MDOT, state trunkline fund		3,300
Game and fish protection fund		100
Mackinac Island state park fund		42,500
Special revenue, internal service and pension trust		2,900
State lottery fund		900
State general fund/general purpose	\$	948,600
State general rana general parpose minimum	Ψ	0 10,000
Sec. 104. MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS		
Full-time equated classified positions9.0		
Administration—9.0 FTE positions	\$	702,800
Arts and cultural grants		11,771,300
GROSS APPROPRIATION	\$	12,474,100
Appropriated from:		
Federal revenues:		700,000
NFAH-NEA, promotion of the arts, partnership agreements		700,000
Special revenue funds: State general fund/general purpose	<b>P</b>	11,774,100
	Φ	11,774,100
Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION		
Full-time equated classified positions	d•	1 244 500
Mackinac Island park operation—24.3 FTE positions	Ф	1,344,500
GROSS APPROPRIATION	<sub>\$</sub> —	$\frac{1,633,800}{2,978,300}$
Appropriated from:	φ	2,310,500
Special revenue funds:		
Mackinac Island state park operation fees		150,000
Mackinac Island state park fund		1,329,200
State general fund/general purpose	\$	1,499,100
	*	_,,
Sec. 106. MICHIGAN HISTORICAL PROGRAM Full-time equated classified positions		
Federal programs—12.0 FTE positions	\$	1,893,900
Heritage publications	Ψ	700,000
Historical administration and services—71.0 FTE positions		5,216,600
Private grants and gifts		502,400
Thunder Bay national marine sanctuary and underwater preserve		189,600
Historical grants		35,000
GROSS APPROPRIATION	\$	8,537,500

Appropriated from: Interdepartmental grant revenues:		
IDG-MDOT, comprehensive transportation fund	¢	5,700
	φ	3,400
IDG-MDOT, state aeronautics fund		126,300
Federal revenues:		120,500
DOI-NPS, historic preservation grants-in-aid		1,348,000
Federal funds		545,900
Special revenue funds:		545,500
Private - grants and gifts		400,000
Private - Mann house trust fund		102,400
Game and fish protection fund		3,600
Heritage publication fund		700,000
Marine safety fund		500
Special revenue, internal service and pension trust		70,700
State lottery fund		24,300
Waterways fund		800
State general fund/general purpose	\$	5,205,900
Court goneral rand general purpose	Ψ	0,200,000
Sec. 107. LIBRARY OF MICHIGAN		
Sec. 101. Librari of michigan		
Full-time equated classified positions	\$	327,500
Full-time equated classified positions	\$	327,500 161,900
Full-time equated classified positions	\$	,
Full-time equated classified positions	\$	161,900
Full-time equated classified positions	\$	161,900 6,267,300
Full-time equated classified positions	\$	161,900 6,267,300 5,557,400
Full-time equated classified positions	\$	161,900 6,267,300 5,557,400 965,000
Full-time equated classified positions	\$	161,900 6,267,300 5,557,400 965,000 13,327,100
Full-time equated classified positions		161,900 6,267,300 5,557,400 965,000 13,327,100 505,000
Full-time equated classified positions		161,900 6,267,300 5,557,400 965,000 13,327,100 505,000 44,800
Full-time equated classified positions		161,900 6,267,300 5,557,400 965,000 13,327,100 505,000 44,800
Full-time equated classified positions		161,900 6,267,300 5,557,400 965,000 13,327,100 505,000 44,800
Full-time equated classified positions		161,900 6,267,300 5,557,400 965,000 13,327,100 505,000 44,800 27,156,000
Full-time equated classified positions		161,900 6,267,300 5,557,400 965,000 13,327,100 505,000 44,800 27,156,000
Full-time equated classified positions		161,900 6,267,300 5,557,400 965,000 13,327,100 505,000 44,800 27,156,000
Full-time equated classified positions	\$	161,900 6,267,300 5,557,400 965,000 13,327,100 505,000 44,800 27,156,000 5,557,400

# 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 2004-2005 is \$48,225,900.00 and state spending from state resources to be paid to local units of government for fiscal year 2004-2005 is \$17,563,400.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

# DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

Arts and cultural grants	\$ 3,686,500
State aid to libraries	13,327,100
Subregional state aid	505,000
Wayne County library for the blind and physically handicapped	44,800
Total department of history, arts, and libraries	\$ 17,563,400

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) "MDOT" means the Michigan department of transportation.
- (h) "NEA" means the national endowment for the arts.
- (i) "NFAH" means the national foundation of the arts and the humanities.
- (j) "Subcommittees" means all members of the appropriate subcommittees of the house and senate appropriations committees.
- Sec. 204. The department of civil service shall bill the departments 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 shall 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 a loss of revenue to the state, result in the inability of the state to receive federal funds, or would 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 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. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the subcommittees and the fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the fiscal agencies and to the subcommittees within 30 months.
- Sec. 208. Unless otherwise specified, the department receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on the 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 value.
- Sec. 210. 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. 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.
- Sec. 213. From the funds appropriated in part 1 for information technology, the department shall pay user fees to the department of information technology for technology related services and projects. The user fees shall be subject to

provisions of an interagency agreement between the departments and agencies 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. 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 for the following:
- (a) Supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products.
  - (b) Microfilming and other document and data imaging services, media, storage, and copies.
  - (c) Patron copier and document reproduction services and copies.
  - (d) Conferences, training classes, 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. Funds not expended at year-end may be carried forward and expended for the same purposes for which they were originally received.
- (f) Special services including the rental of department exhibits and collections. Funds not expended at year-end may be carried forward and expended for the same purposes for which they were originally received. The funds received under this section may be deposited and expended from the history, arts, and libraries service fund created in section 216.
- Sec. 216. A fund known as the history, arts, and libraries service fund is created in the department. The fund may be used to receive and expend funds in addition to those authorized in part 1. The fund balance may be carried forward by the department for expenditure in subsequent fiscal years.
- Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2005 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 house and senate appropriations committees.
- (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 chairs and members of the house and senate appropriations committees, the 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. 218. It is the intent of the legislature to explore supplemental fund sourcing options for the department of history, arts, and libraries.

#### MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS

Sec. 401. (1) The Michigan council for arts and cultural affairs in the department shall administer the arts and cultural grants appropriated in part 1. The council shall provide for fair and independent decisions on arts and cultural grant requests based upon published criteria to evaluate program quality. These criteria shall include a prohibition of art projects that include displays of human wastes on religious symbols, displays of sex acts, and depictions of flag desecration. The council shall seek to award grants on an equitable geographic basis to the extent possible given the quality of grant applications received. Priority shall be given to projects that serve multiple counties and that leverage significant additional public and private investment. Counties, cities, villages, townships, community foundations, and organizations, including science museums/centers, may apply for the following categories of grants:

- (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) Discretionary grants program.
  - (k) Rural arts and cultural program.
  - (l) Cultural projects program.
  - (m) Historical projects program.
- (2) The appropriation for arts and cultural grants in part 1 and disbursed under this section shall, at a minimum, be matched on an equal dollar-for-dollar basis from local and private contributions paid and received by each awardee receiving grants under this section. The dollar-for-dollar match may include the reasonable value of services, materials, and equipment as allowed under the federal internal revenue code for charitable contributions subject also to the preapproval of the match by the Michigan council for arts and cultural affairs. The council shall receive proof of the entire amount of the matching funds, services, materials, or equipment by the end of the award period.
- (3) Before any amount appropriated for arts and cultural grants in part 1 may be expended for a grant to eligible applicants for the purposes in this section, the department shall execute a grant agreement with each grantee. The grant agreement shall specify the criteria included in this section with which the application complies. The grant agreement shall include a list of the projects funded.
- (4) Counties, cities, villages, townships, community foundations, and organizations receiving funds under this section shall provide the Michigan council for arts and cultural affairs with the following:
- (a) A final report covering the grant period within 30 days after the end of the grant period indicating at least the following:
  - (i) Project revenues and expenditures indicating 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.
- (b) Awardees receiving grants greater than \$100,000.00 shall also submit a report as identified in subdivision (a) on an interim basis by April 7 of the grant year.

- (5) The applicants for arts and cultural grants funds shall be charged a nonrefundable application fee of \$300.00 or 3% of the grant, whichever is less. The application fee may be used by the department to recover direct and indirect costs as appropriated in part 1.
- (6) It is the intent of the legislature that the Michigan council for arts and cultural affairs continue to take appropriate steps to ensure that all organizations receiving state arts anchor organization grants have combined grant awards, as defined in subsection (8), of no more than 15.0% of operating revenue for the fiscal year ending September 30, 2005 and beyond. As used in this subsection, "operating revenue" is defined in the same manner as it was defined during the fiscal year 2000 state arts anchor organization application process.
- (7) The council shall continue and expand its efforts to encourage and support nonprofit arts and cultural organizations transitioning from solely volunteer-based organizations to professionally directed operations. This includes the provision of funds and services from the arts organization development, partnership, arts projects, anchor organization, and regional regranting programs as well as the rural arts and culture initiative to support professional development within these organizations. Criteria for support include the requirement of collaboration between these organizations and other community organizations.
- (8) Any organizations receiving grants within the anchor organization program category in excess of 10.0% of their operating revenue for the fiscal year ending September 30, 2004 shall not receive a combined grant award from all grant categories, except the partnership program, that is greater than the combined grant award from these categories that the organization received for the fiscal year ending September 30, 2004. As used in this subsection, "operating revenue" is defined in the same manner as it was defined during the fiscal year 2000 state arts anchor organization application process.
- (9) The council shall provide for fair, equitable, and efficient distribution of funds granted through the regional regranting program. The council shall provide for an annual assessment of grant management and distribution of minigrant awards by designated regional regranting agencies and review the methodology employed.
- (10) The council 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.
- (11) The department shall submit 2 annual reports to the appropriations subcommittees, the state budget office, and the fiscal agencies as follows:
- (a) The first report is due 30 days after the council makes the annual grant awards. The report shall contain the following:
  - (i) A listing of each applicant.
  - (ii) The county of residence of an applicant.
  - (iii) The amount awarded.
  - (iv) The amount requested.
  - (v) The grant category under which an applicant applied.
  - (vi) A summary of projects funded for each awardee.
  - (vii) The expected number of patrons for an applicant during the grant period.
  - (viii) The amount of matching funds proposed by an applicant.
  - (ix) The review score for each application.
- (x) A listing containing the information in subparagraphs (i) to (iii) for any regranted funds in the preceding fiscal year.
- (b) The second report is due when materials are first distributed by the council seeking grant applications for the subsequent fiscal year. The report shall contain the following:
  - (i) The guidelines by which the council awards grants.
  - (ii) A summary of any changes in the program guidelines from the previous fiscal year.
- (iii) A summary of any initiatives the council is taking to improve public access to the arts and culture, including, but not limited to, the use of technology applications.
- (12) Within 1 business day following the final council vote, the department shall notify each legislator electronically regarding the website location of the list of grant awardees by county receiving a grant from arts and cultural grant funds appropriated in part 1.
- (13) From the state funds appropriated in part 1 for arts and cultural grants, no 1 organization may receive more than 18% of this funding. It is the intent of the legislature that this percentage be reduced to 17% in fiscal year 2006, 16% in fiscal year 2007, and 15% in fiscal year 2008.
- (14) The council shall report to the chairpersons of the house and senate 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 house and senate 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, and preservation of historic resources. The method used will be to solicit applications from eligible recipients, score applications based upon established criteria, and award the contracts and subgrants. The total cost is \$1,348,000.00 and the tentative completion date is September 30, 2006.

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 purpose for which they were received and may be carried forward for expenditure in subsequent fiscal years.

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. 504. (1) From the state funds appropriated in part 1, the department may award discretionary historical grants to preserve Michigan lighthouses. The department may award up to \$91,500.00 in grants for this purpose and may use a portion of those funds to assist in the transfer of lighthouses from federal ownership. A portion of the funds may also be dedicated to program administration and project coordination.
- (2) The department shall allocate grant funds under this section pursuant to eligibility and scoring requirements established by the department. The method used will be to solicit applications from eligible recipients, score applications based on the established criteria, and award grants through executed contracts.
- (3) Grants under this section may be awarded for purposes of stabilization, rehabilitation, or other preservation work on a Michigan lighthouse, but shall not be awarded for operational purposes. The department shall not allocate a grant under this section that exceeds \$40,000.00.
- (4) The funds appropriated in part 1 and allocated by this section are for work projects. The funds shall not lapse to the general fund at the end of the fiscal year but shall remain available in subsequent fiscal years, until funds have been expended, the projects for which the funds were reserved have been completed, or the projects are terminated, whichever occurs first.
- Sec. 505. From the funds appropriated in part 1 for historical administration and services, \$49,700.00 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. From the funds appropriated in part 1 in the historical administration and services line item, \$100,000.00 shall be used to fund a competitive historical grant program. Eligible applicants include all state and local historical societies and the state historical preservation network. 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.

Sec. 509. Of the funds appropriated in part 1 for the historical grants, \$25,000.00 shall be allocated to support Michigan History Day, and \$10,000.00 shall be allocated to the Arenac County Historical Society for the Charity Island lighthouse preservation project.

#### 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 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. Subregional state aid shall be used only for providing services to the blind and to persons with disabilities.

Sec. 603. Of the funds appropriated in part 1 for the operation of the library of Michigan, a portion may be used for statewide database access such as making computerized databases, searches of those databases, and the products of those searches available through the libraries of Michigan. Only those libraries that qualify under the federal library services and technology act, subtitle B of title II of the museum and library services act, title II of the arts, humanities, and cultural affairs act of 1976, Public Law 94-462, 110 Stat. 3009-295, are eligible to participate in these activities.

Sec. 607. Of the funds appropriated in part 1 for book distribution centers, the public enrichment foundation shall receive \$163,750.00 and the Michigan friends of education shall receive \$163,750.00.

Sec. 609. The appropriation in part 1 for the preservation and access for Michigan project shall be used to digitize materials currently in the possession of libraries in the state and to preserve, store, and make these digitized images accessible via the Michigan electronic library. The subject materials are to be significant in the state's history, the only existing copies of unique items, or of broad interest to the citizens of Michigan. To the extent possible, the department shall seek to award these funds on an equitable geographic basis given the quality of proposals received. No single recipient shall receive funding in excess of 30% of the total appropriation.

This act is ordered to take immediate effect.	Sany Examples
	Clerk of the House of Representatives
	Carol Morey Viventi
	Secretary of the Senate
Approved	
Governor	