

HISTORY, ARTS, AND LIBRARIES FY 2008-09 BUDGET

Summary: House Bill 5804 (S-1) as passed by the Senate



Analyst: Mark Wolf

	FY 2007-08	FY 2008-09	FY 2008-09	FY 2008-09	Difference:	
	YTD	Revised Exec	House	Senate	Senate from YTD	
					Amount	%
IDG/IDT	\$139,200	\$668,600	\$668,600	\$668,600	\$529,400	380.3
Federal	7,355,700	7,507,400	7,507,400	7,757,400	401,700	5.5
Local	0	200,000	200,000	200,000	200,000	
Private	112,400	312,400	312,400	312,400	200,000	177.9
Restricted	2,645,600	3,967,800	3,979,800	4,117,800	1,472,200	55.6
GF/GP	39,256,900	39,930,100	44,390,700	39,930,100	673,200	1.7
Gross	\$49,509,800	\$52,586,300	\$57,058,900	\$52,986,300	\$3,476,500	7.0
FTEs	235.0	232.0	233.0	232.0	(3.0)	(1.3)

Note: FY 2007-08 year-to-date figures reflect supplementals, Executive Orders, and legislative transfers through June 6, 2008.

Overview

The Department of History, Arts, and Libraries administers programs in four major areas: arts and cultural affairs, which includes administration of Michigan's arts and cultural grants program; Mackinac Island State Park Commission, which oversees operational activities at the Mackinac Island State Park, the Michilimackinac State Park, and the Mill Creek State Park; historical program, which includes historical museum system, historical publications, archaeological, and lighthouse preservation activities; and library services, providing reference services to the public and Legislative, Executive, and Judicial branches of state government, as well as assisting public libraries statewide. Public Act 75 of 2008 (SB 1177) transferred Film Office from the department to the Michigan Strategic Fund, effective May 4, 2008. As a result the Revised Executive Recommendation and the Senate do not included funding for the film office. The House included the film office, because it passed the bill prior to the enactment of PA 75.

Major Budget Issues

<u>Major Budget Changes From FY 2007-08 YTD</u>		<u>FY 2007-08</u>	<u>Exec Rec</u>	<u>Change</u>	<u>House Change</u>	<u>Senate Change</u>
		<u>YTD</u>		<u>From YTD</u>	<u>From YTD</u>	<u>From YTD</u>
1. Arts and Cultural Affairs Grants	Gross	\$7,754,000		\$242,000	\$2,496,000	\$367,000
Adds GF/GP funding for arts and cultural grants and adjusts fund sources.	Federal	700,000		(28,000)	(28,000)	122,000
	Restricted	0		20,000	20,000	20,000
	GF/GP	\$7,054,000		\$250,000	\$2,504,000	\$225,000
2. Arts and Cultural Affairs Administration	FTEs	5.0		0.0	0.0	0.0
Increases funding for MCACA administration through additional federal funds, as permitted by the NEA and realization of HAL Fund revenue (arts grants application fees).	Gross	\$434,400		\$95,800	\$95,800	\$95,800
	Federal	0		28,000	28,000	28,000
	Restricted	0		80,000	80,000	80,000
	GF/GP	\$434,400		(\$12,200)	(\$12,200)	(\$12,200)
3. Michigan History Day	Gross	\$25,000		(\$25,000)	\$0	\$0
Retains GF/GP funding for the Michigan History Day program.	GF/GP	\$25,000		(\$25,000)	\$0	\$0
4. State Aid to Libraries	Gross	\$10,000,000		\$0	\$2,000,000	\$0
Increases state aid to libraries	GF/GP	\$10,000,000		\$0	\$2,000,000	\$0

Major Budget Changes From FY 2007-08 YTD		FY 2007-08 YTD	Exec Rec Change From YTD	House Change From YTD	Senate Change From YTD
5. History, Arts, and Libraries Fund Appropriates funds from the HAL Fund for various line items in part 1 of the bill. Previously, the HAL Fund has been appropriated in boilerplate. The House is above the Revised Executive and the Senate because it included the film office, which was subsequently transferred to the Michigan Strategic Fund.	Gross	N/A	\$776,000	\$788,000	\$776,000
	GF/GP	N/A	\$776,000	\$788,000	\$776,000
6. Museum Store Operations Adds line item and deduct for the museum stores.	FTEs	N/A	4.0	4.0	4.0
	Gross	N/A	\$501,500	\$501,500	\$501,500
	Restricted	N/A	501,500	501,500	501,500
7. Cultural Economic Development Adds a new line item separating out funding for the HAL Office of Cultural Economic Development, previously included within the management services line.	FTEs	N/A	2.0	2.0	2.0
	Gross	N/A	\$350,000	\$350,000	\$350,000
	Restricted	N/A	50,000	50,000	50,000
	GF/GP	N/A	\$300,000	\$300,000	\$300,000
8. Records Center Relocation Adds IDG revenue and utilizes savings on current leases for one-time costs for the relocation of the state records center. (The site was converted to use by the Department of Military and Veterans Affairs.) Adjusts building occupancy charges for new facility.	Gross	N/A	\$1,473,400	\$1,473,400	\$1,473,400
	IDG	N/A	551,300	551,300	551,300
	GF/GP	N/A	\$922,100	\$922,100	\$922,100
9. Federal, Local, and Private Grants Adds \$600,000 in authorization to receive federal, local, and private grants	Gross	N/A	\$600,000	\$600,000	\$600,000
	Federal	N/A	200,000	200,000	200,000
	Local	N/A	200,000	200,000	200,000
	Private	N/A	200,000	200,000	200,000
10. Lighthouse Preservation The Revised Executive and House add \$100,000 in revenue from the lighthouse specialty license plate for the lighthouse preservation program. The Senate increases funding by an additional \$150,000.	Gross	N/A	\$100,000	\$100,000	\$250,000
	Restricted	N/A	100,000	100,000	250,000
11. Local Historical Society Grants The Senate creates a new line item to provide grants to local historical societies.	Gross	N/A	\$0	\$0	\$25,000
	GF/GP	N/A	\$0	\$0	\$25,000
12. Historic Preservation The Senate increases the spending authorization from federal funds available from the Department of Interior for historic preservation. The Revised Executive and House appropriated levels (\$850,000) are the FY 2007-08 enacted levels. The FY 2007-08 YTD appropriation includes an additional \$48,300 to account for higher than anticipated funding from DOI.	Gross	\$898,300	(\$48,300)	(\$48,300)	\$51,700
	Federal	898,300	(48,300)	(48,300)	51,700
13. Human Resources Consolidation Eliminates funding for human resources due to consolidation.	Gross	\$226,200	(\$226,200)	(\$226,200)	(\$226,200)
	GF/GP	\$226,200	(\$226,200)	(\$226,200)	(\$226,200)
14. Economic Adjustments Makes adjustments for salaries/wages, insurances, workers compensation, and retirement and FICA. The House is above the Revised Executive and the Senate because of the film office, which was subsequently transferred to the Michigan Strategic Fund.	Gross	N/A	\$61,000	\$62,300	\$61,000
	IDG	N/A	(200)	(200)	(200)
	Federal	N/A	(400)	(400)	(400)
	Private	N/A	100	100	100
	Restricted	N/A	6,900	6,900	6,900
	GF/GP	N/A	\$54,600	\$55,900	\$54,600

Major Boilerplate Changes From FY 2007-08

Sec. 210. Policy Change Report – RETAINED

Requires reporting to the Legislature on policy changes for implementing legislation. The **Executive** and **House** delete this section. The **Senate** retains this section.

Sec. 216. History, Arts, and Libraries Fund – REVISED

Specifies that the HALF may receive and expend funds for providing census-related services and products, document and media services, conferences and other programs, use of specialized equipment, arts grant and other application fees, and other special services. The **Executive**, **House**, and **Senate** modify this section because to the fund is now appropriated in Part 1, rather than just in boilerplate as in previous years.

Sec. 217a. Out of State Travel Restriction – NEW

The **Senate** adds a section that prohibits out-of-state travel of more than one departmental employee to a specific professional development conference or training seminar. The section provides an exception for travel funded by federal or private sources and which requires more than one employee to attend.

Sec. 218. Supplemental Funding – RETAINED

Expresses intent to explore supplemental funding sources for the Department. The **Executive** and the **House** delete this section. The **Senate** retains it.

Sec. 219. Communication with Legislature – RETAINED

Prohibits Department from taking disciplinary action against employees communicating with Legislature. The **Executive** deletes this section. The **House** and **Senate** retain this section.

Sec. 220. Film Advisory Commission Minutes – DELETED

Requires Department to post proposed and final minutes of Film Advisory Commission within 8 business days after the meeting and the meeting at which the minutes are approved. The **Executive**, **House**, and **Senate** delete this section.

Sec. 229. Public Listing of Expenditures – NEW

The **House** and **Senate** add a section requiring the department to maintain a listing on the Internet of all expenditures made by the department in the fiscal year. The **Executive** does not include this section.

Sec. 227. Continuous Improvement Efficiency Mechanisms – DELETED

Requires Department to identify efficiency changes made to programs. The **Executive** and **Senate** delete this section. The **House** retains this section.

Sec. 228. Receipt of Grants – NEW

Requires a report to fiscal agencies, SBO, and subcommittees when the Department receives a grant authorized under the Federal, Local, and Private Grants line. The **Executive**, **House**, and **Senate** add this section.

Sec. 505. Michigan Freedom Trail Commission – RETAINED

Allocates \$25,000 from the funds appropriated in Part 1 for historical administration and services to the Michigan Freedom Trail Commission. The **Executive** made the allocation permissive ("may"), The **House** and **Senate** require ("shall") the allocation.

Sec. 506. Michigan Historical Museum Surplus Auctions – RETAINED

Deletes requirement that Department notify HAL subcommittee members at least one week prior to sale or auction of artifacts no longer suitable for the historical museum collection. The **Executive** deletes this provision. The **House** and **Senate** retain this provision.

Sec. 507. Michigan History Magazine Subscriber List – RETAINED

Deletes requirement that the Department make the Michigan History magazine subscriber list available to the Historical Society of Michigan. The **Executive** and **House** delete this section. The **Senate** retains it.

Sec. 701. Mackinac Island State Park Commission Infrastructure Improvements – DELETED

Appropriates \$200,000 from the Mackinac Island Park Operations Fees Fund for maintenance projects. The **Executive**, **House**, and **Senate** delete this section.