

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 231

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2008; 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:

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PART 1

LINE-ITEM APPROPRIATIONS

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

1 amounts listed in this part are appropriated for the department of
 2 history, arts, and libraries for the fiscal year ending September
 3 30, 2008, from the funds indicated in this part. The following is a
 4 summary of the appropriations in this part:

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

6 APPROPRIATION SUMMARY:

7	Full-time equated unclassified positions.....	0.0	
8	Full-time equated classified positions.....	0.0	
9	GROSS APPROPRIATION.....	\$	0
10	Total interdepartmental grants and intradepartmental		
11	transfers		0
12	ADJUSTED GROSS APPROPRIATION.....	\$	0
13	Total federal revenues.....		0
14	Total local revenues.....		0
15	Total private revenues.....		0
16	Total other state restricted revenues.....		0
17	State general fund/general purpose.....	\$	0
18	Sec. 102. DEPARTMENT OPERATIONS		
19	Full-time equated unclassified positions.....	0.0	
20	Full-time equated classified positions.....	0.0	
21	Unclassified salaries.....	\$	0
22	Management services--0.0 FTE positions.....		0
23	Building occupancy charges and rent.....		0
24	Worker's compensation.....		0
25	Office of film and television services--0.0 FTE		
26	positions		0
27	Human resources optimization user charges.....		0

1	GROSS APPROPRIATION.....	\$	0
2	Appropriated from:		
3	State general fund/general purpose.....	\$	0
4	Sec. 103. INFORMATION TECHNOLOGY		
5	Information technology services and projects	\$	<u>0</u>
6	GROSS APPROPRIATION.....	\$	0
7	Appropriated from:		
8	Interdepartmental grant revenues:		
9	Special revenue funds:		
10	Mackinac Island state park fund.....		0
11	State general fund/general purpose.....	\$	0
12	Sec. 104. MICHIGAN COUNCIL FOR ARTS AND CULTURAL		
13	AFFAIRS		
14	Full-time equated classified positions.....	0.0	
15	Administration--0.0 FTE positions.....	\$	0
16	Grant to the Detroit zoological society.....		0
17	Grant to the Detroit historical society.....		0
18	Grant to the Detroit institute of arts.....		0
19	Henry Ford museum electrical improvements.....		0
20	Ending stereotypes for America grant		0
21	Arts and cultural grants.....		<u>0</u>
22	GROSS APPROPRIATION.....	\$	0
23	Appropriated from:		
24	Federal revenues:		
25	NFAH-NEA, promotion of the arts, partnership		
26	agreements		0
27	State general fund/general purpose.....	\$	0

1	Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION		
2	Full-time equated classified positions.....	0.0	
3	Mackinac Island park operation--0.0 FTE positions....	\$	0
4	Historical facilities system--0.0 FTE positions.....		<u>0</u>
5	GROSS APPROPRIATION.....	\$	0
6	Appropriated from:		
7	Interdepartmental grant revenues:		
8	Federal revenues:		
9	Federal funds.....		0
10	Special revenue funds:		
11	Mackinac Island state park fund.....		0
12	Mackinac Island state park operation fund.....		0
13	State general fund/general purpose.....	\$	0
14	Sec. 106. MICHIGAN HISTORICAL PROGRAM		
15	Full-time equated classified positions.....	0.0	
16	Federal programs--0.0 FTE positions.....	\$	0
17	Heritage publications.....		0
18	Historical administration and services--0.0 FTE		
19	positions		0
20	Private grants and gifts.....		0
21	Thunder Bay national marine sanctuary and underwater		
22	preserve		0
23	Michigan historical museum.....		<u>0</u>
24	GROSS APPROPRIATION.....	\$	0
25	Appropriated from:		
26	Interdepartmental grant revenues:		
27	IDG-MDOT, comprehensive transportation fund.....		0

1	IDG-MDOT, state aeronautics fund.....	0
2	IDG-MDOT, state trunkline fund.....	0
3	Federal revenues:	
4	DOI-NPS, historic preservation grants-in-aid.....	0
5	Special revenue funds:	
6	Private - grants and gifts.....	0
7	Private - Mann house trust fund.....	0
8	Game and fish protection fund.....	0
9	Heritage publication fund.....	0
10	Marine safety fund.....	0
11	Special revenue, internal service and pension trust ..	0
12	State lottery fund.....	0
13	State services fee fund.....	0
14	Waterways fund.....	0
15	State general fund/general purpose.....	\$ 0
16	Sec. 107. LIBRARY OF MICHIGAN	
17	Full-time equated classified positions.....	0.0
18	Book distribution centers.....	\$ 0
19	Collected gifts and fees.....	0
20	Library of Michigan operations--0.0 FTE positions	0
21	Library services and technology act.....	0
22	State aid to libraries.....	0
23	Subregional state aid.....	0
24	Michigan after-school partnership.....	0
25	Free book program.....	<u>0</u>
26	GROSS APPROPRIATION.....	\$ 0
27	Appropriated from:	

1	Federal revenues:	
2	Library services and technology act	0
3	Special revenue funds:	
4	User fees	0
5	State general fund/general purpose	\$ 0

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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 2007-2008 is \$0.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$0.00. 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	\$	0.00
State aid to libraries		0.00
Subregional state aid		<u>0.00</u>
Total department of history, arts, and libraries	\$	0.00

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

1 libraries.

2 (b) "Director" means the director of the department of
3 history, 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 the
7 senate fiscal agency.

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

9 (f) "IDG" means interdepartmental grant.

10 (g) "MCACA" means the Michigan council for arts and cultural
11 affairs.

12 (h) "MDOT" means the Michigan department of transportation.

13 (i) "NEA" means the national endowment for the arts.

14 (j) "NFAH" means the national foundation of the arts and the
15 humanities.

16 (k) "Subcommittees" means all members of the appropriate
17 subcommittees of the senate and house of representatives
18 appropriations committees.

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

24 Sec. 205. (1) A hiring freeze is imposed on the state
25 classified civil service. State departments and agencies are
26 prohibited from hiring any new full-time state classified civil
27 service employees and prohibited from filling any vacant state

1 classified civil service positions. This hiring freeze does not
2 apply to internal transfers of classified employees from 1 position
3 to another within a department.

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

15 Sec. 208. Unless otherwise specified, the department shall use
16 the Internet to fulfill the reporting requirements of this act.
17 This requirement may include transmission of reports via electronic
18 mail to the recipients identified for each reporting requirement,
19 or it may include placement of reports on an Internet or Intranet
20 site.

21 Sec. 209. Funds appropriated in part 1 shall not be used for
22 the purchase of foreign goods or services, or both, if
23 competitively priced and of comparable quality American goods or
24 services, or both, are available. Preference should be given to
25 goods or services, or both, manufactured or provided by Michigan
26 businesses if they are competitively priced and of comparable
27 quality.

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

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

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

19 Sec. 215. (1) The department may provide and enter into
20 agreements to provide general services, training, meetings,
21 information, special equipment, software, and facility use, and
22 technical consulting services to other principal executive
23 departments, state agencies, local units of government, the
24 judicial branch of government, other organizations, and patrons of
25 department facilities. Fees for services shall be reasonably
26 related to the cost of providing the services and shall be used to
27 offset the costs of the services. The department may receive and

1 expend funds in addition to those authorized in part 1 for the
2 following:

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

6 (b) Microfilming and other document and data imaging services,
7 media, storage, and copies.

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

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

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

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

17 (g) Application fees.

18 (h) Grants, gifts, and bequests, including those for capital
19 projects.

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

23 Sec. 216. (1) A fund known as the history, arts, and libraries
24 fund is created in the department. The fund shall be used to
25 receive and expend funds in addition to those authorized in part 1.
26 The fund balance may be carried forward for expenditure in
27 subsequent fiscal years.

1 (2) The department shall provide a report to the senate and
2 house of representatives appropriations subcommittees on history,
3 arts, and libraries of all revenues to and expenditures from the
4 history, arts, and libraries fund. The report shall include an
5 estimated fund balance for the fiscal year ending September 30,
6 2008. The report is due November 1, 2008.

7 Sec. 217. (1) Due to the current budgetary problems in this
8 state, out-of-state travel for the fiscal year ending September 30,
9 2008 shall be limited to situations in which 1 or more of the
10 following conditions apply:

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

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

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

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

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

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

25 (2) If out-of-state travel is necessary but does not meet 1 or
26 more of the conditions in subsection (1), the state budget director
27 may grant an exception to allow the travel. Any exceptions granted

1 by the state budget director shall be reported on a monthly basis
2 to the senate and house of representatives appropriations
3 committees.

4 (3) Not later than January 1 of each year, each department
5 shall prepare a travel report listing all travel by classified and
6 unclassified employees outside this state in the immediately
7 preceding fiscal year that was funded in whole or in part with
8 funds appropriated in the department's budget. The report shall be
9 submitted to the chairs and members of the senate and house of
10 representatives appropriations committees, the fiscal agencies, and
11 the state budget director. The report shall include the following
12 information:

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

15 (b) The destination of each travel occurrence.

16 (c) The dates of each travel occurrence.

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

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

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

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

1 arts, and libraries.

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

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

11 Sec. 223. (1) In addition to the funds appropriated in part 1,
12 there is appropriated an amount not to exceed \$2,000,000.00 for
13 federal contingency funds. These funds are not available for
14 expenditure until they have been transferred to another line item
15 in this act under section 393(2) of the management and budget act,
16 1984 PA 431, MCL 18.1393.

17 (2) In addition to the funds appropriated in part 1, there is
18 appropriated an amount not to exceed \$1,000,000.00 for state
19 restricted contingency funds. These funds are not available for
20 expenditure until they have been transferred to another line item
21 in this act under section 393(2) of the management and budget act,
22 1984 PA 431, MCL 18.1393.

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

Senate Bill No. 231 (H-6) as amended September 6, 2007 (1 of 2)
1 MCL 18.1393.

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

8 Sec. 224. There is appropriated \$200,000.00 from the Mackinac
9 Island state park operation fund to the Mackinac Island state park
10 commission, historic projects division, revenue bond fund for
11 infrastructure improvements. These funds shall be used for the
12 following:

13 (a) To match state grants for road repair.

14 (b) To match federal grants to acquire 2 snowplow trucks for
15 Mackinac Island state park.

16 (c) To make major repairs at the historic mill creek sawmill.

17 (d) To make repairs and improvements at the Michilimackinac
18 state park visitors center, including a new roof, repaving the
19 parking lot, and new signage.

20 (e) To replace an obsolete forklift and tractor.

[Sec. 225. 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, 2008 and September 30, 2008, 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.]

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

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

24 (2) The MCACA shall render fair and independent decisions

Senate Bill No. 231 (H-6) as amended September 6, 2007 (2 of 2)

25 concerning arts and cultural grant requests and shall do all of the
26 following:

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

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

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

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

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

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

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

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

25 (4) The MCACA shall provide for fair, equitable, and efficient
26 distribution of funds granted through the regional regranting
27 program. The MCACA shall provide for an annual assessment of grant

1 management and distribution of mini-grant awards by designated
2 regional regranting agencies and review the methodology employed.

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

9 (6) The department shall withhold undistributed grant payments
10 from a grant recipient who violates the terms of the agreement
11 required under subsection (3) and may disqualify the grant
12 recipient from award of future grants for a period of not more than
13 3 years.

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

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

21 (b) Arts projects program.

22 (c) Arts and learning program.

23 (d) Artists in residence for education program.

24 (e) Arts organization development program.

25 (f) Capital improvement program.

26 (g) Local arts agencies services program.

27 (h) Regional regranting program.

1 (i) Partnership program.

2 (j) Rural arts and cultural program.

3 (k) Cultural projects program.

4 (l) Historical projects program.

5 (m) Discretionary grants program.

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

7 Sec. 403. (1) From the state funds appropriated in part 1 for
8 arts and cultural grants, no one organization may receive more than
9 16% of this funding.

10 (2) The MCACA shall make every effort to provide total grant
11 awards in the anchor organization program at a level not to exceed
12 70% of the total amount appropriated for arts and cultural grants.

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

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

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

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

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

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

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

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

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

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

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

5 (iii) A narrative summary of each project and its outcome,
6 including all of the following:

7 (A) How the project supported achieving the department's
8 intended goals and outcomes for each program.

9 (B) How the project met the quantifiable measures of success
10 in meeting the goals and outcomes.

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

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

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

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

23 (i) A listing of each applicant.

24 (ii) The county of residence of the applicant.

25 (iii) The amount requested.

26 (iv) The amount awarded.

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

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

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

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

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

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

12 (i) The MCACA guidelines for awarding grants, including the
13 intended program goals and outcomes and quantifiable measures of
14 success in meeting the goals and outcomes.

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

17 (d) An annual report to the appropriations subcommittees, the
18 state budget office, and the fiscal agencies on the success in
19 meeting program goals and outcomes for the preceding fiscal year.
20 The report is due by February 1 and shall contain all of the
21 following:

22 (i) The MCACA intended program goals and outcomes.

23 (ii) A summary by program of performance according to the
24 established quantifiable measures of success for meeting intended
25 goals and outcomes.

26 (iii) The reasons why outcomes or goals were not met.

27 (iv) The plans for better achieving the outcomes and goals in

1 the future.

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

10 **MICHIGAN HISTORICAL PROGRAM**

11 Sec. 501. The federal funds appropriated in part 1 for the
12 historic site preservation grants are for work projects and shall
13 not lapse at the end of the fiscal year but shall continue to be
14 available for expenditure until the projects for which the funds
15 were reserved have been completed or are terminated. The purpose of
16 these work projects is the identification, designation, and
17 preservation of historic resources. The method used will be to
18 solicit applications, score applications based upon established
19 criteria, and award subgrants. The department shall execute a grant
20 agreement with each recipient. The total cost is \$85,000.00, and
21 the tentative completion date is September 30, 2008.

22 Sec. 502. Funds collected by the department under sections 6,
23 7, and 7a of 1913 PA 271, MCL 399.6, 399.7, and 399.7a, are
24 appropriated to the department for the purposes for which they were
25 received, are allocated for expenditure upon receipt and may be
26 carried forward for expenditure in subsequent fiscal years.

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

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

14 Sec. 506. Proceeds in excess of costs incurred in the conduct
15 of auctions, sales, or transfers of artifacts no longer considered
16 suitable for the collections of the state historical museum are
17 appropriated to the department and may be expended upon receipt for
18 additional material for the collection.

19 **LIBRARY OF MICHIGAN**

20 Sec. 601. In order to receive subregional state aid as
21 appropriated in part 1 to the library of Michigan, a subregional
22 library's fiscal agency must agree to maintain local funding
23 support at the same level in the current fiscal year as in the
24 fiscal agency's preceding fiscal year. If a reduction in
25 expenditures equally affects all agencies in a local unit of
26 government that is the subregional library's fiscal agency, that

1 reduction shall not be interpreted as a reduction in local support
2 and shall not disqualify a subregional library from receiving state
3 aid under part 1. If a reduction in income affects a library
4 cooperative or district library that is a subregional library's
5 fiscal agency or a reduction in expenditures for the subregional
6 library's fiscal agency, a reduction in expenditures for the
7 subregional library shall not be interpreted as a reduction in
8 local support and shall not disqualify a subregional library from
9 receiving state aid under part 1.

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

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