

**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

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

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

APPROPRIATION SUMMARY:

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 228.0

GROSS APPROPRIATION..... \$ <<43,555,100>>

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 139,200

ADJUSTED GROSS APPROPRIATION..... \$ <<43,415,900>>

Federal revenues:

Total federal revenues..... 7,307,400

Special revenue funds:

Total private revenues..... 112,400

Total other state restricted revenues..... 2,645,600

State general fund/general purpose..... \$ <<33,350,500>>

Sec. 102. DEPARTMENT OPERATIONS

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 32.0

Unclassified salaries..... \$ 222,300

Management services--31.0 FTE positions..... 2,786,400

Building occupancy charges and rent..... 3,277,800

Worker's compensation..... 9,000

Film office--1.0 FTE positions..... 180,300

1	Human resources optimization user charges		<u>16,500</u>
2	GROSS APPROPRIATION.....	\$	6,492,300
3	Appropriated from:		
4	Special revenue funds:		
5	State general fund/general purpose	\$	6,492,300
6	Sec. 103. INFORMATION TECHNOLOGY		
7	Information technology services and projects	\$	<u>1,099,200</u>
8	GROSS APPROPRIATION.....	\$	1,099,200
9	Appropriated from:		
10	Special revenue funds:		
11	Mackinac Island state park fund.....		47,000
12	State general fund/general purpose	\$	1,052,200
13	Sec. 104. COUNCIL FOR ARTS AND CULTURAL AFFAIRS		
14	Full-time equated classified positions..... 3.0		
15	Administration--3.0 FTE positions	\$	304,400
16	Arts and cultural grants		<u>6,519,300</u>
17	GROSS APPROPRIATION.....	\$	6,823,700
18	Appropriated from:		
19	Federal revenues:		
20	NFAH-NEA, promotion of the arts, partnership		
21	agreements		700,000
22	Special revenue funds:		
23	State general fund/general purpose	\$	6,123,700
24	Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION		
25	Full-time equated classified positions..... 39.0		
26	Mackinac Island park operation--24.3 FTE positions ...	\$	1,544,100
27	Historical facilities system--14.7 FTE positions		<u>1,948,500</u>

1	GROSS APPROPRIATION.....	\$	3,492,600
2	Appropriated from:		
3	Federal revenues:		
4	Federal funds.....		200,000
5	Special revenue funds:		
6	Mackinac Island state park operation fund.....		160,200
7	Mackinac Island state park fund.....		1,566,000
8	State general fund/general purpose.....	\$	1,566,400
9	Sec. 106. MICHIGAN HISTORICAL PROGRAM		
10	Full-time equated classified positions.....	83.0	
11	Historical administration and services--71.0 FTE		
12	positions	\$	5,812,800
13	Federal programs--12.0 FTE positions.....		850,000
14	Heritage publications.....		700,000
15	Private grants and gifts.....		112,400
16	Thunder Bay national marine sanctuary and underwater		
17	preserve		202,000
18	Michigan history day.....		<u>25,000</u>
19	GROSS APPROPRIATION.....	\$	7,702,200
20	Appropriated from:		
21	Interdepartmental grant revenues:		
22	IDG-MDOT, comprehensive transportation fund.....		3,800
23	IDG-MDOT, state aeronautics fund.....		2,300
24	IDG-MDOT, state trunkline fund.....		133,100
25	Federal revenues:		
26	DOI-NPS, historic preservation grants-in-aid.....		850,000
27	Special revenue funds:		

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1	Private - grants and gifts.....	10,000
2	Private - Mann house trust fund.....	102,400
3	Game and fish protection fund.....	3,700
4	Heritage publication fund.....	700,000
5	Marine safety fund.....	400
6	Special revenue, internal service and pension trust ..	49,200
7	State lottery fund.....	19,100
8	State services fee fund.....	12,300
9	Waterways fund.....	800
10	State general fund/general purpose.....	\$ 5,815,100
11	Sec. 107. LIBRARY OF MICHIGAN	
12	Full-time equated classified positions.....	71.0
13	Book distribution centers.....	\$ 100
14	Collected gifts and fees.....	86,900
15	Library of Michigan operations--71.0 FTE positions ...	6,022,600
16	Library services and technology act.....	5,557,400
17	State aid to libraries.....	6,071,500
18	Subregional state aid.....	<u>505,000</u>
19	GROSS APPROPRIATION.....	\$ 18,243,500
20	Appropriated from:	
21	Federal revenues:	
22	Library services and technology act.....	5,557,400
23	Special revenue funds:	
24	User fees.....	86,900
25	State general fund/general purpose.....	\$ 12,599,200
	<<Sec. 108. BUDGETARY SAVINGS	
	Budgetary savings.....	<u>\$ (298,400)</u>
	GROSS APPROPRIATION.....	<u>\$ (298,400)</u>
	Appropriated from:	
	State general fund/general purpose.....	\$ (298,400) >>

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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 <<\$35,996,100.00>> and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$7,443,600.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

Arts and cultural grants.....	\$	867,100
State aid to libraries.....		6,071,500
Subregional state aid.....		<u>505,000</u>
Total department of history, arts, and libraries.....	\$	7,443,600

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.

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

(f) "IDG" means interdepartmental grant.

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

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

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

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

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

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

<<Sec. 205. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring employees into the classified state civil service or unclassified positions within the executive branch of state government; creating new positions within the classified state civil service or new unclassified positions; and filling new or existing vacant positions by external hire from outside of state government, transfer or promotion between state departments or agencies, or internal promotions within a department or agency. The hiring freeze described in this section applies regardless of the fund source financing the position but does not apply to appointments required

1 by law.

2 (2) The state budget director may grant exceptions to the hiring
3 freeze if 1 or more of the following apply:

4 (a) The creation of a position or filling a vacant position by any
5 method is required by legal mandate, federal mandate, or court order.

6 (b) The creation of a position or filling a vacant position by any
7 method is necessary to protect the health or safety of Michigan citizens.

(c) The creation of a position or filling a vacant position by any
method is necessary to produce budgetary savings or to protect existing
state revenue or secure additional state revenue.

(d) The creation of a position or filling a vacant position by any
method is necessary to provide for the basic daily living requirements of
residents of a state institution or facility.

(3) The state budget director shall report quarterly to the
chairpersons of the senate and house of representatives standing
committees on appropriations and the respective fiscal agencies the
number of exceptions to the hiring freeze approved for each state
department or agency during the immediately preceding quarter and the
reasons to justify the exception.

(4) The attorney general and secretary of state may grant
exceptions to the hiring freeze for their respective departments under
the same criteria that the state budget director is able to grant
exceptions.>>

8 Sec. 207. At least 60 days before beginning any effort to
9 privatize, the department shall submit a complete project plan to
10 the subcommittees and the fiscal agencies. The plan shall include
11 the criteria under which the privatization initiative will be
12 evaluated. The evaluation shall be completed and submitted to the
13 fiscal agencies and to the subcommittees within 30 months.

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

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

27 Sec. 210. (1) The department shall report no later than April

1 1, 2008 on each specific policy change made to implement enacted
2 legislation to the senate and house appropriations subcommittees on
3 the department budget, the senate and house standing committees on
4 the department budget, the chairperson of the joint committee of
5 administrative rules, and the senate and house fiscal agencies and
6 policy offices.

7 (2) Funds appropriated in part 1 shall not be used to prepare
8 regulatory plans or promulgate rules that fail to reduce the
9 disproportionate economic impact on small businesses pursuant to
10 section 40 of the administrative procedures act of 1969, 1969 PA
11 306, MCL 24.240.

12 Sec. 213. From the funds appropriated in part 1 for
13 information technology, the department shall pay user fees to the
14 department of information technology for technology-related
15 services and projects. The user fees shall be subject to provisions
16 of an interagency agreement between the department and the
17 department of information technology.

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

25 Sec. 215. (1) The department may provide and enter into
26 agreements to provide general services, training, meetings,
27 information, special equipment, software, and facility use, and

1 technical consulting services to other principal executive
2 departments, state agencies, local units of government, the
3 judicial branch of government, other organizations, and patrons of
4 department facilities. Fees for services shall be reasonably
5 related to the cost of providing the services and shall be used to
6 offset the costs of the services. The department may receive and
7 expend funds in addition to those authorized in part 1 for the
8 following:

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

12 (b) Microfilming and other document and data imaging services,
13 media, storage, and copies.

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

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

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

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

23 (g) Application fees.

24 (h) Grants, gifts, and bequests, including those for capital
25 projects.

26 (2) The funds received under this section shall be deposited
27 in and expended from the history, arts, and libraries fund

1 established in section 216 of this act.

2 Sec. 216. (1) A fund known as the history, arts, and libraries
3 fund is created in the department. The fund shall be used to
4 receive and expend funds in addition to those authorized in part 1.
5 All funds are allocated for expenditure upon receipt. The fund
6 balance may be carried forward for expenditure in subsequent fiscal
7 years.

8 (2) The department shall provide a report to the senate and
9 house of representatives appropriations subcommittees on history,
10 arts, and libraries of all revenues to and expenditures from the
11 history, arts, and libraries fund. The report shall include an
12 estimated fund balance for the fiscal year ending September 30,
13 2008. The report is due November 1, 2008.

14 Sec. 217. (1) Due to the current budgetary problems in this
15 state, out-of-state travel shall be limited to situations in which
16 1 or more of the following conditions apply:

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

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

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

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

27 (e) The travel is necessary to secure specialized training for

1 staff that is not available within this state.

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

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

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

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

21 (b) The destination of each travel occurrence.

22 (c) The dates of each travel occurrence.

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

25 (e) The transportation and related costs of each travel
26 occurrence, including the proportion funded with state general
27 fund/general purpose revenues, the proportion funded with state

1 restricted revenues, the proportion funded with federal revenues,
2 and the proportion funded with other revenues.

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

5 Sec. 218. It is the intent of the legislature to explore
6 supplemental fund sourcing options for the department of history,
7 arts, and libraries.

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

11 Sec. 220. The department shall publish the proposed minutes of
12 the Michigan film advisory commission on the Internet within 8
13 business days after the meeting to which the minutes refer.
14 Approved minutes of the Michigan film advisory commission shall be
15 posted on the Internet within 8 business days after their approval.

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

22 Sec. 223. Funds appropriated in part 1 shall not be used by a
23 principal executive department, state agency, or authority to hire
24 a person to provide legal services that are the responsibility of
25 the attorney general.

26 Sec. 224. (1) The department of history, arts, and libraries
27 shall collaborate with the state board of education, the department

1 of human services, the department of community health, and the
2 department of labor and economic growth to extend the duration of
3 the Michigan after-school partnership, and oversee its efforts to
4 implement the policy recommendations and strategic next steps
5 identified in the Michigan after-school initiative's report of
6 December 15, 2003.

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

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

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1 report to the legislature and governor.

<<Sec. 225. Appropriation authorization adjustments required due to negative appropriations for budgetary savings shall be made only after the approval of transfers by the legislature under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.>>

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

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

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

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

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

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

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

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

21 (3) The MCACA shall not award a grant unless the proposed
22 grant recipient agrees to both of the following:

23 (a) The grant will not be used to fund a project or activity
24 that includes a display of human waste on religious symbols, a
25 display of a sex act, or a depiction of flag desecration.

26 (b) Grant funding will not be used to create or promote a

1 specific work that includes a display or depiction for which
2 funding is prohibited under subdivision (a).

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

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

14 (6) The department shall withhold undistributed grant payments
15 from a grant recipient who violates the terms of the agreement
16 required under subsection (3) and may disqualify the grant
17 recipient from award of future grants for a period of not more than
18 3 years.

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

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

26 (b) Arts projects program.

27 (c) Arts and learning program.

1 (d) Artists in residence for education program.

2 (e) Arts organization development program.

3 (f) Capital improvement program.

4 (g) Local arts agencies services program.

5 (h) Regional regranting program.

6 (i) Partnership program.

7 (j) Rural arts and cultural program.

8 (k) Cultural projects program.

9 (l) Historical society projects program.

10 (m) Discretionary grants program.

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

12 Sec. 403. (1) From the state funds appropriated in part 1 for
13 arts and cultural grants, no 1 organization may receive more than
14 15% of this funding.

15 (2) The MCACA shall make every effort to provide total grant
16 awards in the anchor organization program at a level not to exceed
17 70% of the total amount appropriated for arts and cultural grants.

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

26 (4) Before any amount appropriated for arts and cultural
27 grants in part 1 may be expended for a grant to an eligible

1 recipient, the department shall execute a grant agreement with the
2 recipient. The grant agreement shall identify the projects funded,
3 specify the category in section 402 under which the grant is
4 awarded, and include the prohibitions and sanctions identified in
5 section 401(3) and (6).

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

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

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

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

27 Sec. 405. Each grant recipient shall provide the MCACA with

1 the following:

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

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

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

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

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

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.

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

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

23 **MICHIGAN HISTORICAL PROGRAM**

24 Sec. 501. The federal funds appropriated in part 1 for the
25 historic site preservation grants are for work projects and shall
26 not lapse at the end of the fiscal year but shall continue to be

1 available for expenditure until the projects for which the funds
2 were reserved have been completed or are terminated. The purpose of
3 these work projects is the identification, designation, and
4 preservation of historic resources. The method used will be to
5 solicit applications, score applications based upon established
6 criteria, and award subgrants. The department shall execute a grant
7 agreement with each recipient. The total cost is \$85,000.00, and
8 the tentative completion date is September 30, 2008.

9 Sec. 502. Funds collected by the department under sections 6,
10 7, and 7a of 1913 PA 271, MCL 399.6, 399.7, and 399.7a, are
11 appropriated to the department for the purposes for which they were
12 received, are allocated for expenditure upon receipt and may be
13 carried forward for expenditure in subsequent fiscal years.

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

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

27 Sec. 506. Proceeds in excess of costs incurred in the conduct

1 of auctions, sales, or transfers of artifacts no longer considered
2 suitable for the collections of the state historical museum are
3 appropriated to the department and may be expended upon receipt for
4 additional material for the collection. The department shall notify
5 the chairpersons, vice chairpersons, and minority vice chairpersons
6 of the senate and house of representatives appropriations
7 subcommittees on history, arts, and libraries 1 week prior to any
8 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
13 the actual expense incurred for providing a single mailing.

14 LIBRARY OF MICHIGAN

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

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1 library's fiscal agency, a reduction in expenditures for the
2 subregional library shall not be interpreted as a reduction in
3 local support and shall not disqualify a subregional library from
4 receiving state aid under part 1.

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

10 Sec. 603. Of the funds appropriated in part 1 for state aid to
11 libraries, payments to cooperative libraries under section 13 of
12 the state aid to public libraries act, 1977 PA 89, MCL 397.563,
13 shall be made in an amount not less than 75.7% of payments for that
14 purpose in fiscal year 2006-2007, and other distributions from the
15 funds appropriated for state aid to libraries shall be adjusted
16 accordingly.

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

<<MACKINAC ISLAND STATE PARK COMMISSION

Sec. 701. There is appropriated \$200,000.00 from the Mackinac
Island State Park operations fees fund to the Mackinac Island state park
commission, historic projects division, revenue bond fund for
infrastructure improvements.>>