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BILL ANALYSIS

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Senate Bill 274 (S-2 as reported)  
Committee: Appropriations

**FY 2004-05 Year-to-Date Gross Appropriation ..... \$59,121,400**

**Changes from FY 2004-05 Year-to-Date:**

- 1. **Preservation and Access for Michigan.** The Governor recommends elimination of this program to digitize special library collections and make them searchable. The Senate retains the program but reduces it to \$481,800. (483,200)
- 2. **Michigan Council for Arts and Cultural Affairs.** Governor reduces State grants by \$442,900 GF/GP or 4.0%. The Senate reduces General Fund for State grants by \$929,200 or 8.4%. (929,200)
- 3. **State Aid to Libraries.** The Governor recommends maintaining current year funding. The Senate reduces State aid by \$986,400 or 7.4%. (986,400)
- 4. **Book Distribution Centers.** The Governor eliminates funding for this program which distributes donated books by publishers to eligible recipients. The Senate concurs. (327,500)
- 5. **Administrative Reductions.** Governor recommends administrative reductions in Department Operations, the Film Office, Dept. of Information Technology (DIT), Michigan Council for Arts and Cultural Affairs, Historical Administration and Services, and Library of Michigan Operations. The Senate removes an additional \$5,000 from DIT, and places it in the Film Office, and concurs in the other reductions. (155,800)
- 6. **Detroit Public Library.** The Governor includes a grant of \$300,000 for the Detroit Public Library. The Senate removes the proposed grant. 0
- 7. **Historical Grants.** Governor eliminates \$100,000 for competitive grants to local and State historical societies and the State Historical Preservation Network. Senate retains the program. 0
- 8. **Historical Grant for Michigan History Day.** The Governor eliminates \$25,000 for this project. The Senate retains the program. 0
- 9. **Educational Programs.** The Governor removes \$200,000 for Michigan history curriculum from the Historical Administration and Services line and \$100,000 for educational programs from Library of Michigan Operations. The Senate concurs. (300,000)
- 10. **Mackinac Island State Park Commission Fund Shift.** The Governor recommends eliminating General Fund support of \$1,499,100 in FY 2004-05 and replacing it with an equal amount of revenue from unspecified new or increased park fees in FY 2005-06. The Senate restores \$1,499,100 of GF/GP for this purpose. 0
- 11. **Economic Adjustments.** Restores FY 2004-05 employee concessions and applies standard economic adjustments. The Senate concurs. 1,559,000
- 12. **Other Changes.** These consist of DIT economics of \$61,600, removal of one-time Federal funds of \$2,564,600, DIT human resources optimization charges of \$14,700, reduction of \$10,700 in interdepartmental grants from Dept. of Transportation, and a technical adjustment of \$3,000. (2,496,000)
- 13. **Comparison to Governor's Recommendation.** The Subcommittee recommends a gross appropriation that is \$1,176,600 under, and a General Fund appropriation that is \$333,200 over the Governor's recommendation.

Total Changes..... (\$4,119,100)

**FY 2005-06 Senate Appropriations Committee Gross Recommendation ..... \$55,002,300**

**Changes from FY 2004-05 Year to Date:**

1. **Contingency Fund Appropriations.** The Governor proposes establishing contingency fund appropriations so that increases in Federal, restricted, local and private revenues received during the year could be used with the approval of the appropriations committees pursuant to language under the Management and Budget Act. The Senate deletes the proposed language (Sec. 206)
2. **State Employee Discipline.** The Senate adds language to prohibit the Department from taking disciplinary action against an employee for communicating with a member of the legislature or his or her staff. (Sec. 219)
3. **Film Commission Minutes.** The Senate requires the Department to post on the Internet the draft minutes of film commission meetings within 30 days of the meeting and approved minutes within 30 days of approval. (Sec. 220)
4. **Michigan Council for Arts and Cultural Affairs.** The Governor proposes restructuring the language, breaking it into several sections and making some revisions. Specifies that local unrestricted resources shall be measured using the "total unrestricted revenues, gains, and other support", as defined in the accounting standards for nonprofit organizations. Eliminates the reporting of grant review scores and the Council initiatives to improve public access to the arts, including use of technology. The Senate concurs and deletes discretionary category. (Secs. 401 - 406)
5. **Intent Language on Income Tax Form Donations for Arts Grants.** The Senate adds language stating that it is the intent of the Legislature to create a designation on the Michigan income tax form for contributions to the Michigan Council for Arts and Cultural Affairs grant program. (Sec. 407)
6. **Michigan Freedom Trail.** The Governor recommends \$49,700 for this purpose. The Senate reduces the allocation to \$24,850 and allocates \$24,850 for Lighthouse Preservation Grants. (Sec. 505)
7. **Deleted Boilerplate Sections.** The Governor would remove the following sections (Section numbers below refer to 2004 PA 340):

**Privatization.** Requires privatization project plans and evaluations. Senate includes. (Sec. 207)

**Affirmative Action.** Requires the Department to maintain affirmative action programs. Senate includes. (Sec. 211)

**Exploration of Supplemental Funding.** States legislative intent to study other funding sources. Senate includes. (Sec. 218)

**Report on Unexpended Grant Funds.** Requires a report to appropriations subcommittees on unexpended or unencumbered arts grant funding. Senate includes. (Sec. 401(14))

**Mailing List.** Requires the Department to make the subscriber list of the Michigan History Magazine available to the Historical Society of Michigan, unless prohibited by law. Senate includes. (Sec. 507)

**Notices to Subcommittees.** Requires notice to subcommittees 10 days prior to redistribution of unexpended grant funds (410(14)) and one week prior to sale of surplus items from the State's collections. Senate includes. (Sec. 506)

**Grant Criteria.** Language was deleted for the following programs which were not funded in the Governor's recommendation:

Lighthouse Preservation Program. The Senate retains with an allocation of \$24,850 from funds previously for the Michigan Freedom Trail. (Sec. 504)

Historical Competitive Grant Program. The Senate retains. (Sec. 508)

Historical Grant for Michigan History Day. The Senate retains. (Sec. 509)

Book Distribution Centers. The Senate concurs. (Sec. 607)

Preservation and Access for Michigan. The Senate retains and reduces from 30% to 20% the share of grants that can go to any one institution and add public to clarify types of libraries that are eligible. (Sec. 609)

Date Completed: 6-9-05

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