

**SUBSTITUTE FOR
SENATE BILL NO. 274**

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2006; 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

Senate Bill No. 274 as amended June 14, 2005

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, 2006, 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	6.0	
8	Full-time equated classified positions.....	232.0	
9	GROSS APPROPRIATION.....		\$ <<52,983,300>>
10	Interdepartmental grant revenues:		
11	Total interdepartmental grants and intradepartmental		
12	transfers		139,000
13	ADJUSTED GROSS APPROPRIATION.....		\$ <<52,844,300>>
14	Federal revenues:		
15	Total federal revenues.....		8,218,300
16	Special revenue funds:		
17	Total private revenues.....		577,400
18	Total other state restricted revenues.....		2,583,600
19	State general fund/general purpose.....		\$ <<41,465,000>>
20	Sec. 102. DEPARTMENT OPERATIONS		
21	Full-time equated unclassified positions	6.0	
22	Full-time equated classified positions.....	30.0	
23	Unclassified salaries.....		\$ 222,300
24	Management services--29.0 FTE positions.....		2,020,700
25	Building occupancy charges and rent.....		2,927,000
26	Worker's compensation.....		16,000
27	Film office--1.0 FTE position.....		136,900

Senate Bill No. 274 as amended June 14, 2005

1	Human resources optimization user charges		<u>29,500</u>
2	GROSS APPROPRIATION	\$	5,352,400
3	Appropriated from:		
4	Special revenue funds:		
5	State general fund/general purpose	\$	5,352,400
6	Sec. 103. INFORMATION TECHNOLOGY		
7	Information technology services and projects	\$	<u><<931,400>></u>
8	GROSS APPROPRIATION	\$	<<931,400>>
9	Appropriated from:		
10	Interdepartmental grant revenues:		
11	IDG-MDOT, comprehensive transportation fund		200
12	IDG-MDOT, state aeronautics fund		100
13	IDG-MDOT, state trunkline fund		3,500
14	Special revenue funds:		
15	Game and fish protection fund		100
16	Mackinac Island state park fund		45,100
17	Special revenue, internal service and pension trust ..		3,100
18	State lottery fund		900
19	State general fund/general purpose	\$	<<878,400>>
20	Sec. 104. COUNCIL FOR ARTS AND CULTURAL AFFAIRS		
21	Full-time equated classified positions	9.0	
22	Administration--9.0 FTE positions	\$	701,000
23	Arts and cultural grants		<u><<8,842,100>></u>
24	GROSS APPROPRIATION	\$	<<9,543,100>>
25	Appropriated from:		
26	Federal revenues:		
27	NFAH-NEA, promotion of the arts, partnership		

Senate Bill 274 as amended June 14, 2005

1	agreements		700,000
2	Special revenue funds:		
3	State general fund/general purpose	\$	<<8,843,100>>
4	Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION		
5	Full-time equated classified positions.....		39.0
6	Mackinac Island park operation--24.3 FTE positions ...	\$	1,446,000
7	Historical facilities system--14.7 FTE positions		<u>1,692,900</u>
8	GROSS APPROPRIATION.....	\$	3,138,900
9	Appropriated from:		
10	Special revenue funds:		
11	Mackinac Island state park operation fees		150,000
12	Mackinac Island state park fund.....		1,489,800
13	State general fund/general purpose	\$	1,499,100
14	Sec. 106. MICHIGAN HISTORICAL PROGRAM		
15	Full-time equated classified positions.....		83.0
16	Historical administration and services--71.0 FTE		
17	positions	\$	5,178,600
18	Federal programs--12.0 FTE positions		1,960,900
19	Heritage publications		700,000
20	Private grants and gifts		502,400
21	Thunder Bay national marine sanctuary and underwater		
22	preserve		196,100
23	Historical grants		<u>25,000</u>
24	GROSS APPROPRIATION.....	\$	8,563,000
25	Appropriated from:		
26	Interdepartmental grant revenues:		
27	IDG-MDOT, comprehensive transportation fund.....		5,700

1	IDG-MDOT, state aeronautics fund.....		3,400
2	IDG-MDOT, state trunkline fund.....		126,100
3	Federal revenues:		
4	DOI-NPS, historic preservation grants-in-aid		1,395,700
5	Federal funds.....		565,200
6	Special revenue funds:		
7	Private - grants and gifts.....		400,000
8	Private - Mann house trust fund.....		102,400
9	Game and fish protection fund.....		3,900
10	Heritage publication fund.....		700,000
11	Marine safety fund.....		500
12	Special revenue, internal service and pension trust ..		76,200
13	State lottery fund.....		26,200
14	Waterways fund.....		900
15	State general fund/general purpose	\$	5,156,800
16	Sec. 107. LIBRARY OF MICHIGAN		
17	Full-time equated classified positions.....	71.0	
18	Collected gifts and fees.....		\$ 161,900
19	Library of Michigan operations--71.0 FTE positions ...		6,362,900
20	Library services and technology act		5,557,400
21	State aid to libraries.....		12,340,700
22	Subregional state aid.....		505,000
23	Wayne County library for the blind and physically		
24	handicapped		44,800
25	Preservation and access for Michigan project		<u>481,800</u>
26	GROSS APPROPRIATION.....	\$	25,454,500
27	Appropriated from:		

Senate Bill No. 274 as amended June 14, 2005

1	Federal revenues:	
2	Library services and technology act	5,557,400
3	Special revenue funds:	
4	Private - gifts and bequests revenues	75,000
5	User fees	86,900
6	State general fund/general purpose	\$ 19,735,200

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

10 Sec. 201. Pursuant to section 30 of article IX of the state
11 constitution of 1963, total state spending from state resources
12 under part 1 for fiscal year 2005-2006 is <<\$44,048,600.00>> and state
13 spending from state resources to be paid to local units of
14 government for fiscal year 2005-2006 is <<\$15,543,100.00>>. The
15 itemized statement below identifies appropriations from which
16 spending to units of local government will occur:

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

18	Arts and cultural grants	\$ <<2,652,600>>
19	State aid to libraries	12,340,700
20	Subregional state aid	505,000
21	Wayne County library for the blind and physically	
22	handicapped	<u>44,800</u>
23	Total department of history, arts, and libraries	\$ <<15,543,100>>

24 Sec. 202. The appropriations authorized under this act are
25 subject to the management and budget act, 1984 PA 431, MCL 18.1101

1 to 18.1594.

2 Sec. 203. As used in this appropriation act:

3 (a) "Department" means the department of history, arts, and
4 libraries.

5 (b) "Director" means the director of the department of
6 history, arts, and libraries.

7 (c) "DOI-NPS" means the United States department of interior,
8 national park service.

9 (d) "Fiscal agencies" means the house fiscal agency and the
10 senate fiscal agency.

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

12 (f) "IDG" means interdepartmental grant.

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

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

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

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

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

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

26 Sec. 205. (1) A hiring freeze is imposed on the state
27 classified civil service. State departments and agencies are

1 prohibited from hiring any new full-time state classified civil
2 service employees and prohibited from filling any vacant state
3 classified civil service positions. This hiring freeze does not
4 apply to internal transfers of classified employees from 1 position
5 to another within a department.

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

17 Sec. 207. At least 60 days before beginning any effort to
18 privatize, the department shall submit a complete project plan to
19 the subcommittees and the fiscal agencies. The plan shall include
20 the criteria under which the privatization initiative will be
21 evaluated. The evaluation shall be completed and submitted to the
22 fiscal agencies and to the subcommittees within 30 months.

23 Sec. 208. Unless otherwise specified, the department receiving
24 appropriations in part 1 shall use the Internet to fulfill the
25 reporting requirements of this act. This may include transmission
26 of reports via electronic mail to the recipients identified for
27 each reporting requirement or it may include placement of reports

1 on the Internet or Intranet site.

2 Sec. 209. Funds appropriated in part 1 shall not be used for
3 the purchase of foreign goods or services, or both, if
4 competitively priced and of comparable quality American goods or
5 services, or both, are available. Preference should be given to
6 goods or services, or both, manufactured or provided by Michigan
7 businesses if they are competitively priced and of comparable
8 value.

9 Sec. 210. The director shall take all reasonable steps to
10 ensure businesses in deprived and depressed communities compete for
11 and perform contracts to provide services or supplies, or both. The
12 director shall strongly encourage firms with which the department
13 contracts to subcontract with certified businesses in depressed and
14 deprived communities for services, supplies, or both.

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

20 Sec. 213. From the funds appropriated in part 1 for
21 information technology, departments and agencies shall pay user
22 fees to the department of information technology for technology
23 related services and projects. The user fees shall be subject to
24 provisions of an interagency agreement between the departments and
25 agencies and the department of information technology.

26 Sec. 214. Amounts appropriated in part 1 for information
27 technology may be designated as work projects and carried forward

1 to support technology projects under the direction of the
2 department of information technology. Funds designated in this
3 manner are not available for expenditure until approved as work
4 projects under section 451a of the management and budget act, 1984
5 PA 431, MCL 18.1451a.

6 Sec. 215. The department may provide and enter into agreements
7 to provide general services, training, meetings, information,
8 special equipment, software, and facility use, and technical
9 consulting services to other principal executive departments, state
10 agencies, local units of government, the judicial branch of
11 government, other organizations, and patrons of department
12 facilities. Fees for services shall be reasonably related to the
13 cost of providing the services and shall be used to offset the
14 costs of the services. The department may receive and expend funds
15 in addition to those authorized in part 1 for the following:

16 (a) Supplying census-related information and technical
17 services, publications, statistical studies, population projections
18 and estimates, and other demographic products.

19 (b) Microfilming and other document and data imaging services,
20 media, storage, and copies.

21 (c) Patron copier and document reproduction services and
22 copies.

23 (d) Conferences, training classes, and workshops conducted as
24 part of the department's mission.

25 (e) Use of specialized equipment, facilities, and software
26 that permit distance learning and meetings, and group decision
27 making. Funds not expended at year-end may be carried forward and

1 expended for the same purposes for which they were originally
2 received.

3 (f) Special services including the rental of department
4 exhibits and collections. Funds not expended at year-end may be
5 carried forward and expended for the same purposes for which they
6 were originally received. The funds received under this section may
7 be deposited and expended from the history, arts, and libraries
8 service fund created in section 216.

9 Sec. 216. A fund known as the history, arts, and libraries
10 service fund is created in the department. The fund may be used to
11 receive and expend funds in addition to those authorized in part 1.
12 The fund balance may be carried forward by the department for
13 expenditure in subsequent fiscal years.

14 Sec. 217. (1) Due to the current budgetary problems in this
15 state, out-of-state travel for the fiscal year ending September 30,
16 2006 shall be limited to situations in which 1 or more of the
17 following conditions apply:

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

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

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

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

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

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

5 (2) If out-of-state travel is necessary but does not meet 1 or
6 more of the conditions in subsection (1), the state budget director
7 may grant an exception to allow the travel. Any exceptions granted
8 by the state budget director shall be reported on a monthly basis
9 to the house and senate appropriations 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 house and senate
16 appropriations committees, the fiscal agencies, and the state
17 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 draft minutes of
12 the Michigan film commission on the Internet within 30 days of each
13 meeting and approved minutes within 30 days of approval.

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

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

17 (2) The MCACA shall render fair and independent decisions
18 concerning arts and cultural grant requests and shall do all of the
19 following:

20 (a) Use published criteria to evaluate program quality.

21 (b) Seek to award grants on an equitable geographic basis to
22 the extent possible given the quality of grant applications
23 received.

24 (c) Give priority to projects that serve multiple counties or
25 that leverage significant additional public and private investment.

26 (3) The MCACA shall not award grants for projects or

1 activities that include displays of human wastes on religious
2 symbols, displays of sex acts, and depictions of flag desecration.

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 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 Sec. 403. (1) From the state funds appropriated in part 1 for
6 arts and cultural grants, no one organization may receive more than
7 17% of this funding. It is the intent of the legislature that this
8 percentage be reduced to 16% in fiscal year 2007, and 15% in fiscal
9 year 2008.

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.

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

26 Sec. 404. Grant applicants must meet and adhere to the
27 following requirements:

1 (a) Each applicant shall pay a nonrefundable application fee
2 of \$300 or 3% of the desired grant amount, whichever is less. The
3 department may use the application fee to offset its direct and
4 indirect costs.

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

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

17 Sec. 405. Each grant recipient shall provide the MCACA with
18 the following:

19 (a) The MCACA shall receive proof of the entire amount of the
20 matching funds, services, materials, or equipment by the end of the
21 award period.

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

24 (i) Project revenues and expenditures including grant matching
25 fund amounts.

26 (ii) Number of patrons attracted or benefiting during the grant
27 period.

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

2 (c) By April 7 of the grant year, each recipient of a grant
3 greater than \$100,000 shall submit an interim report that includes
4 the items identified in subdivision (b).

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

6 (a) An electronic report identifying the website location that
7 contains a list of all grant recipients, sorted by county. This
8 report shall be provided to each legislator within 1 business day
9 of the announcement of annual awards by the MCACA.

10 (b) An electronic report to the appropriations subcommittees,
11 the state budget office, and the fiscal agencies, within 30 days
12 after the MCACA announces the annual grant awards, that includes
13 all of the following:

14 (i) A listing of each applicant.

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

16 (iii) The amount requested.

17 (iv) The amount awarded.

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

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

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

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

23 (ix) A listing containing the information in subdivision (a)
24 and subparagraphs (i) to (viii) for any regranted funds in the
25 preceding fiscal year.

26 (c) An annual report to the appropriations subcommittees, the
27 state budget office, and the fiscal agencies is due when materials

1 are first distributed by the MCACA seeking grant applications for
2 the subsequent fiscal year. The report shall contain the
3 following:

4 (i) The MCACA guidelines for awarding grants.

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

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

14 Sec. 407. It is the intent of the legislature to amend the
15 income tax act of 1967, MCL 206.1 to 206.532, to create a
16 designation on the Michigan income tax form for contributions to
17 the Michigan council for arts and cultural affairs grant program.

18 MICHIGAN HISTORICAL PROGRAM

19 Sec. 501. The federal funds appropriated in part 1 for the
20 historic site preservation grants are for work projects and shall
21 not lapse at the end of the fiscal year but shall continue to be
22 available for expenditure until the projects for which the funds
23 were reserved have been completed or are terminated. The purpose of
24 these work projects is the identification, designation, and
25 preservation of historic resources. The method used will be to
26 solicit applications from eligible recipients, score applications

1 based upon established criteria, and award the contracts and
2 subgrants. The total cost is \$1,348,000.00 and the tentative
3 completion date is September 30, 2007.

4 Sec. 502. Funds collected by the department under sections 6,
5 7, and 7a of 1913 PA 271, MCL 399.6, 399.7, and 399.7a, are
6 appropriated to the department for the purpose for which they were
7 received and may be carried forward for expenditure in subsequent
8 fiscal years.

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

13 Sec. 504. (1) From the state funds appropriated in part 1, the
14 department may award discretionary historical grants to preserve
15 Michigan lighthouses. The department may award up to \$24,850.00 in
16 grants for this purpose and may use a portion of those funds to
17 assist in the transfer of lighthouses from federal ownership. A
18 portion of the funds may also be dedicated to program
19 administration and project coordination.

20 (2) The department shall allocate grant funds under this
21 section pursuant to eligibility and scoring requirements
22 established by the department. The method used will be to solicit
23 applications from eligible recipients, score applications based on
24 the established criteria, and award grants through executed
25 contracts.

26 (3) Grants under this section may be awarded for purposes of
27 stabilization, rehabilitation, or other preservation work on a

1 Michigan lighthouse, but shall not be awarded for operational
2 purposes.

3 (4) The funds appropriated in part 1 and allocated by this
4 section are for work projects. The funds shall not lapse to the
5 general fund at the end of the fiscal year but shall remain
6 available in subsequent fiscal years, until funds have been
7 expended, the projects for which the funds were reserved have been
8 completed, or the projects are terminated, whichever occurs first.

9 Sec. 505. From the funds appropriated in part 1 for historical
10 administration and services, \$24,850.00 shall be allocated to
11 support the operations of the Michigan freedom trail commission as
12 specified in section 4 of the Michigan freedom trail commission
13 act, 1998 PA 409, MCL 399.84. These funds shall be used to
14 reimburse commission members, to pay for necessary contractual
15 services of the commission, and to hire not more than 1.0 FTE
16 position in the department's Michigan historical center to support
17 commission operations.

18 Sec. 506. Proceeds in excess of costs incurred in the conduct
19 of auctions, sales, or transfers of artifacts no longer considered
20 suitable for the collections of the state historical museum are
21 appropriated to the department and may be expended upon receipt for
22 additional material for the collection. The department shall notify
23 the chairpersons, vice chairpersons, and minority vice chairpersons
24 of the senate and house appropriations subcommittees on history,
25 arts, and libraries 1 week prior to any auctions or sales.

26 Sec. 507. Unless prohibited by law, the department shall make
27 available to the historical society of Michigan the use of the

1 Michigan history magazine subscriber list, or a portion of the
2 Michigan history magazine subscriber list, at a cost not to exceed
3 the actual expense incurred for providing a single mailing.

4 Sec. 508. From the funds appropriated in part 1 in the
5 historical administration and services line item, \$100,000.00 shall
6 be used to fund a competitive historical grant program. Eligible
7 applicants include all state and local historical societies and the
8 state historical preservation network. Awards shall be made for
9 projects that can leverage additional public and private investment
10 and may involve, but are not limited to, capital improvements
11 projects, restorations, research, educational programs, and
12 publications.

13 Sec. 509. Of the funds appropriated in part 1 for the
14 historical grants, \$25,000.00 shall be allocated to support
15 Michigan history day.

16 **LIBRARY OF MICHIGAN**

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

Senate Bill No. 274 as amended June 14, 2005

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

7 Sec. 602. The funds appropriated in part 1 for a subregional
8 library shall not be released until a budget for that subregional
9 library has been approved by the department for expenditures for
10 library services directly serving the blind and persons with
11 disabilities. Subregional state aid shall be used only for
12 providing services to the blind and to persons with disabilities.

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

<<Sec. 607. Not more than \$327,500.00 of the funds appropriated in
part 1 that would otherwise lapse to the general fund may be allocated
for book distribution centers at the discretion of the director. Funds
allocated under this section shall be distributed equally between the
public enrichment foundation and the Michigan friends of education.>>

23 Sec. 609. The appropriation in part 1 for the preservation and
24 access for Michigan project shall be used to digitize materials
25 currently in the possession of public libraries in the state and to
26 preserve, store, and make these digitized images accessible via the
27 Michigan electronic library. The subject materials are to be

1 significant in the state's history, the only existing copies of
2 unique items, or of broad interest to the citizens of Michigan. To
3 the extent possible, the department shall seek to award these funds
4 on an equitable geographic basis given the quality of proposals
5 received. No single recipient shall receive funding in excess of
6 20% of the total appropriation.