

**SUBSTITUTE FOR
SENATE BILL NO. 1089**

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2007; 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:

1

PART 1

2

LINE-ITEM APPROPRIATIONS

3

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

4

amounts listed in this part are appropriated for the department of

history, arts, and libraries for the fiscal year ending September 30, 2007, 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..... 232.0

GROSS APPROPRIATION..... \$ 53,931,400

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 79,000

ADJUSTED GROSS APPROPRIATION..... \$ 53,852,400

Federal revenues:

Total federal revenues..... 8,450,900

Special revenue funds:

Total private revenues..... 577,400

Total other state restricted revenues..... 2,581,200

State general fund/general purpose..... \$ 42,242,900

Sec. 102. DEPARTMENT OPERATIONS

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

Full-time equated classified positions..... 30.0

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

Management services--29.0 FTE positions..... 2,090,600

Building occupancy charges and rent..... 3,180,100

Worker's compensation..... 14,000

Film office--1.0 FTE position..... 175,000

Human resources optimization user charges..... 16,100

1	GROSS APPROPRIATION.....	\$	5,698,100
2	Appropriated from:		
3	Special revenue funds:		
4	State general fund/general purpose.....	\$	5,698,100
5	Sec. 103. INFORMATION TECHNOLOGY		
6	Information technology services and projects.....	\$	<u>953,100</u>
7	GROSS APPROPRIATION.....	\$	953,100
8	Appropriated from:		
9	Special revenue funds:		
10	Mackinac Island state park fund.....		46,900
11	State general fund/general purpose.....	\$	906,200
12	Sec. 104. COUNCIL FOR ARTS AND CULTURAL AFFAIRS		
13	Full-time equated classified positions..... 9.0		
14	Administration--9.0 FTE positions.....	\$	726,600
15	Arts and cultural grants.....		<u>9,635,700</u>
16	GROSS APPROPRIATION.....	\$	10,362,300
17	Appropriated from:		
18	Federal revenues:		
19	NFAH-NEA, promotion of the arts, partnership		
20	agreements		700,000
21	Special revenue funds:		
22	State general fund/general purpose.....	\$	9,662,300
23	Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION		
24	Full-time equated classified positions..... 39.0		
25	Mackinac Island park operation--24.3 FTE positions ...	\$	1,489,000
26	Historical facilities system--14.7 FTE positions		<u>1,928,600</u>
27	GROSS APPROPRIATION.....	\$	3,417,600

1	Appropriated from:		
2	Federal revenues:		
3	Federal funds.....		200,000
4	Special revenue funds:		
5	Mackinac Island state park operation fees.....		154,500
6	Mackinac Island state park fund.....		1,521,200
7	State general fund/general purpose.....	\$	1,541,900
8	Sec. 106. MICHIGAN HISTORICAL PROGRAM		
9	Full-time equated classified positions.....	83.0	
10	Historical administration and services--71.0 FTE		
11	positions	\$	5,374,500
12	Federal programs--12.0 FTE positions.....		1,993,500
13	Heritage publications.....		700,000
14	Private grants and gifts.....		502,400
15	Thunder Bay national marine sanctuary and underwater		
16	preserve		<u>197,500</u>
17	GROSS APPROPRIATION.....	\$	8,767,900
18	Appropriated from:		
19	Interdepartmental grant revenues:		
20	IDG-MDOT, comprehensive transportation fund.....		3,400
21	IDG-MDOT, state aeronautics fund.....		2,100
22	IDG-MDOT, state trunkline fund.....		73,500
23	Federal revenues:		
24	DOI-NPS, historic preservation grants-in-aid.....		1,419,000
25	Federal funds.....		574,500
26	Special revenue funds:		
27	Private - grants and gifts.....		400,000

1	Private - Mann house trust fund.....		102,400
2	Game and fish protection fund.....		2,400
3	Heritage publication fund.....		700,000
4	Marine safety fund.....		500
5	Special revenue, internal service and pension trust ..		49,400
6	State lottery fund.....		18,800
7	Waterways fund.....		600
8	State general fund/general purpose	\$	5,421,300
9	Sec. 107. LIBRARY OF MICHIGAN		
10	Full-time equated classified positions.....	71.0	
11	Book distribution centers.....	\$	330,000
12	Collected gifts and fees.....		161,900
13	Library of Michigan operations--71.0 FTE positions ...		6,543,800
14	Library services and technology act		5,557,400
15	State aid to libraries.....		11,634,300
16	Subregional state aid.....		<u>505,000</u>
17	GROSS APPROPRIATION.....	\$	24,732,400
18	Appropriated from:		
19	Federal revenues:		
20	Library services and technology act		5,557,400
21	Special revenue funds:		
22	Private - gifts and bequests revenues		75,000
23	User fees.....		86,900
24	State general fund/general purpose	\$	19,013,100

25 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 2006-2007 is \$44,824,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$13,516,600.00. 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.....	\$	1,377,300
State aid to libraries.....		11,634,300
Subregional state aid.....		<u>505,000</u>
Total department of history, arts, and libraries.....	\$	13,516,600

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.

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

1 (f) "IDG" means interdepartmental grant.

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

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

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

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

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

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

15 Sec. 205. (1) A hiring freeze is imposed on the state
16 classified civil service. State departments and agencies are
17 prohibited from hiring any new full-time state classified civil
18 service employees and prohibited from filling any vacant state
19 classified civil service positions. This hiring freeze does not
20 apply to internal transfers of classified employees from 1 position
21 to another within a department.

22 (2) The state budget director shall grant exceptions to this
23 hiring freeze when the state budget director believes that the
24 hiring freeze will result in rendering a state department or agency
25 unable to deliver basic services, cause a loss of revenue to the
26 state, result in the inability of the state to receive federal
27 funds, or would necessitate additional expenditures that exceed any

1 savings from maintaining a vacancy. The state budget director shall
2 report quarterly to the chairpersons of the senate and house
3 standing committees on appropriations the number of exceptions to
4 the hiring freeze approved during the previous quarter and the
5 reasons to justify the exception.

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

12 Sec. 208. Unless otherwise specified, the department shall use
13 the Internet to fulfill the reporting requirements of this act.
14 Required reports may be transmitted via electronic mail to the
15 recipients identified for each reporting requirement or they may be
16 placed on the Internet or Intranet site.

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

24 Sec. 210. The director shall take all reasonable steps to
25 ensure businesses in deprived and depressed communities compete for
26 and perform contracts to provide services or supplies, or both. The
27 director shall strongly encourage firms with which the department

1 contracts to subcontract with certified businesses in depressed and
2 deprived communities for services, supplies, or both.

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

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

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

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

1 related to the cost of providing the services and shall be used to
2 offset the costs of the services. The department may receive and
3 expend funds in addition to those authorized in part 1 for the
4 following:

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

8 (b) Microfilming and other document and data imaging services,
9 media, storage, and copies.

10 (c) Patron copier and document reproduction services and
11 copies.

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

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

17 (f) Special services including the rental of department
18 exhibits and collections.

19 (g) Application fees.

20 (h) Grants, gifts, and bequests, including those for capital
21 projects.

22 (2) The funds received under this section may be deposited and
23 expended from the history, arts, and libraries fund established in
24 section 216 of this act.

25 Sec. 216. (1) A fund known as the history, arts, and libraries
26 fund is created in the department. The fund may be used to receive
27 and expend funds in addition to those authorized in part 1. The

1 fund balance may be carried forward for expenditure in subsequent
2 fiscal years.

3 (2) The department shall provide a report to the senate and
4 house of representatives appropriations subcommittees on history,
5 arts, and libraries of all revenues to and expenditures from the
6 history, arts, and libraries fund. The report shall include an
7 estimated fund balance for the fiscal year ending September 30,
8 2007. The report is due November 1, 2007.

9 Sec. 217. (1) Due to the current budgetary problems in this
10 state, out-of-state travel for the fiscal year ending September 30,
11 2007 shall be limited to situations in which 1 or more of the
12 following conditions apply:

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

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

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

21 (d) The travel is necessary to comply with federal
22 requirements.

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

25 (f) The travel is financed entirely by federal or nonstate
26 funds.

27 (2) If out-of-state travel is necessary but does not meet 1 or

1 more of the conditions in subsection (1), the state budget director
2 may grant an exception to allow the travel. Any exceptions granted
3 by the state budget director shall be reported on a monthly basis
4 to the senate and house appropriations committees.

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

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

16 (b) The destination of each travel occurrence.

17 (c) The dates of each travel occurrence.

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

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

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

27 Sec. 218. It is the intent of the legislature to explore

1 supplemental fund sourcing options for the department of history,
2 arts, and libraries.

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

6 Sec. 220. The department shall publish the proposed minutes of
7 the Michigan film advisory commission on the Internet within 8
8 business days after the meeting to which the minutes refer.

9 Approved minutes of the Michigan film advisory commission shall be
10 posted on the Internet within 8 business days after their approval.

11 Sec 222. By October 15, 2006, the department shall provide to
12 the senate and house appropriations subcommittees on history, arts,
13 and libraries and the senate and house fiscal agencies a list of
14 general fund/general purpose budget cuts sufficient to reduce
15 department general fund/general purpose spending by 7.93% in fiscal
16 year 2006-2007 if the K-16 ballot initiative is adopted by the
17 voters of this state.

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

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

21 (2) The MCACA shall render fair and independent decisions
22 concerning arts and cultural grant requests and shall do all of the
23 following:

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

25 (b) Seek to award grants on an equitable geographic basis to
26 the extent possible given the quality of grant applications

1 received.

2 (c) Give priority to projects that serve multiple counties,
3 leverage significant additional public and private investment, or
4 demonstrate a significant potential to increase tourism or attract
5 or retain business residents.

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

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

11 (b) Grant funding will not be used to create or promote a
12 specific work that includes a display or depiction for which
13 funding is prohibited under subdivision (a).

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

19 (5) The MCACA shall continue and expand its efforts to
20 encourage and support nonprofit arts and cultural organizations to
21 transition from solely volunteer-based organizations to
22 professionally directed operations. Criteria for support include
23 the requirement of collaboration between these organizations and
24 other community organizations.

25 (6) The department shall withhold undistributed grant payments
26 from a grant recipient who violates the terms of the agreement
27 required under subsection (3) and may disqualify the grant

1 recipient from award of future grants for a period of not more than
2 3 years.

3 Sec. 402. The MCACA may award grants to counties, cities,
4 villages, townships, community foundations and organizations in the
5 following categories:

6 (a) Anchor organization program for organizations that serve
7 regional and statewide audiences. Anchor organizations shall
8 demonstrate a commitment to education, to mentoring smaller
9 organizations, and to reaching underserved audiences.

10 (b) Arts projects program.

11 (c) Arts and learning program.

12 (d) Artists in residence for education program.

13 (e) Arts organization development program.

14 (f) Capital improvement program.

15 (g) Local arts agencies services program.

16 (h) Regional regranting program.

17 (i) Partnership program.

18 (j) Rural arts and cultural program.

19 (k) Cultural projects program.

20 (l) Historical projects program.

21 (m) Discretionary grants program.

22 Sec. 403. (1) From the state funds appropriated in part 1 for
23 arts and cultural grants, no one organization may receive more than
24 16% of this funding. It is the intent of the legislature that this
25 percentage be reduced to 15% in fiscal year 2008.

26 (2) The MCACA shall make every effort to provide total grant
27 awards in the anchor organization program at a level not to exceed

1 70% of the total amount appropriated for arts and cultural grants.

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

10 (4) Before any amount appropriated for arts and cultural
11 grants in part 1 may be expended for a grant to an eligible
12 recipient, the department shall execute a grant agreement with the
13 recipient. The grant agreement shall identify the projects funded,
14 specify the category in section 402 under which the grant is
15 awarded, and include the prohibitions and sanctions identified in
16 section 401(3) and (6).

17 Sec. 404. Grant applicants must meet and adhere to the
18 following requirements:

19 (a) Each applicant shall pay a nonrefundable application fee
20 of \$300.00 or 3% of the desired grant amount, whichever is less.
21 The department may use the application fee to offset its direct and
22 indirect costs.

23 (b) An applicant for a grant under the anchor organization
24 program shall submit with the application the applicant's most
25 recent annual audit report which states their "total unrestricted
26 revenues, gains, and other support," as defined by the financial
27 accounting standards board in the accounting standards for not-for-

1 profit organizations or equivalent accounting standards for other
2 types of eligible organizations. The audit report must cover an
3 audit period that ends within 18 months of the date of the
4 application.

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

10 Sec. 405. Each grant recipient shall provide the MCACA with
11 the following:

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

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

17 (i) Project revenues and expenditures including grant matching
18 fund amounts.

19 (ii) Number of patrons attracted or benefiting during the grant
20 period.

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

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

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

26 (a) A report identifying the website location that contains a
27 list of all grant recipients, sorted by county. This report shall

1 be provided to each legislator within 1 business day of the
2 announcement of annual awards by the MCACA.

3 (b) A report to the appropriations subcommittees, the state
4 budget office, and the fiscal agencies, within 30 days after the
5 MCACA announces the annual grant awards, that includes all of the
6 following:

7 (i) A listing of each applicant.

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

9 (iii) The amount requested.

10 (iv) The amount awarded.

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

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

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

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

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

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

23 (i) The MCACA guidelines for awarding grants.

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

26 (2) The council shall report to the chairpersons of the senate
27 and house appropriations subcommittees on history, arts, and

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

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

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 \$200,000.00 and
21 the tentative completion date is September 30, 2007.

22 Sec. 502. Funds collected by the department under sections 3,
23 6, 7, and 7a of 1913 PA 271, MCL 399.3, 399.6, 399.7, and 399.7a,
24 are appropriated to the department for the purpose for which they
25 were received and may be carried forward for expenditure in
26 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. The department shall notify
19 the chairpersons, vice chairpersons, and minority vice chairpersons
20 of the senate and house appropriations subcommittees on history,
21 arts, and libraries 1 week prior to any auctions or sales.

22 Sec. 507. Unless prohibited by law, the department shall make
23 available to the historical society of Michigan the use of the
24 Michigan history magazine subscriber list, or a portion of the
25 Michigan history magazine subscriber list, at a cost not to exceed
26 the actual expense incurred for providing a single mailing.

27 Sec. 508. From the funds appropriated in part 1 in the

Senate Bill No. 1089 as amended May 24, 2006

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

9 Sec. 509. Of the funds appropriated in part 1 in the
10 historical administration and services line item, \$5,000.00 shall
11 be allocated to support Michigan history day.

<<Sec. 510. The department shall reimburse the Michigan strategic
fund in full for the cost of all services or activities provided by the
Michigan strategic fund at the request of the department.>>

12 **LIBRARY OF MICHIGAN**

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

1 local support and shall not disqualify a subregional library from
2 receiving state aid under part 1.

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

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

11 Sec. 608. It is the intent of the legislature that from the
12 general fund balance at the close of fiscal year 2005-2006,
13 \$20,000.00 shall be allocated to support book distribution centers.