

SUBSTITUTE FOR  
HOUSE BILL NO. 5804

A bill to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2009; 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; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

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

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, 2009, 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.....	227.0	
9	GROSS APPROPRIATION.....	\$	57,058,900
10	Interdepartmental grant revenues:		
11	Total interdepartmental grants and intradepartmental		
12	transfers .....		668,600
13	ADJUSTED GROSS APPROPRIATION.....	\$	56,390,300
14	Federal revenues:		
15	Total federal revenues.....		7,507,400
16	Special revenue funds:		
17	Total local revenues.....		200,000
18	Total private revenues.....		312,400
19	Total other state restricted revenues.....		3,979,800
20	State general fund/general purpose.....	\$	44,390,700
21	<b>Sec. 102. DEPARTMENT OPERATIONS</b>		
22	Full-time equated unclassified positions.....	6.0	
23	Full-time equated classified positions.....	29.0	
24	Unclassified salaries.....	\$	228,600
25	Management services--26.0 FTE positions.....		2,120,100
26	Building occupancy charges and rent.....		3,671,900
27	Worker's compensation.....		8,000

1	Film office--1.0 FTE positions.....	193,600
2	Records center relocation expenses.....	870,000
3	Federal, local, and private grants.....	600,000
4	Cultural economic development--2.0 FTE positions.....	361,300
5	Internal audit.....	<u>170,800</u>
6	GROSS APPROPRIATION.....	\$ 8,224,300
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG agency relocation assessments.....	551,300
10	Federal revenues:	
11	Federal funds.....	200,000
12	Special revenue funds:	
13	Private revenues.....	200,000
14	Local revenues.....	200,000
15	History, arts, and libraries fund.....	112,000
16	State general fund/general purpose.....	\$ 6,961,000
17	<b>Sec. 103. INFORMATION TECHNOLOGY</b>	
18	Information technology services and projects.....	\$ <u>1,274,800</u>
19	GROSS APPROPRIATION.....	\$ 1,274,800
20	Appropriated from:	
21	Special revenue funds:	
22	Mackinac Island state park fund.....	46,900
23	State general fund/general purpose.....	\$ 1,227,900
24	<b>Sec. 104. COUNCIL FOR ARTS AND CULTURAL AFFAIRS</b>	
25	Full-time equated classified positions..... 5.0	
26	Administration--5.0 FTE positions.....	\$ 530,200
27	Arts and cultural grants.....	<u>10,250,000</u>

1	GROSS APPROPRIATION.....	\$	10,780,200
2	Appropriated from:		
3	Federal revenues:		
4	NFAH-HEA, promotion of the arts, partnership		
5	agreements .....		700,000
6	Special revenue funds:		
7	History, arts, and libraries fund.....		100,000
8	State general fund/general purpose .....	\$	9,980,200
9	<b>Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION</b>		
10	Full-time equated classified positions.....		39.0
11	Mackinac Island park operations--24.0 FTE positions ..	\$	1,674,800
12	Historical facilities system--15.0 FTE positions .....		<u>2,055,200</u>
13	GROSS APPROPRIATION.....	\$	3,730,000
14	Appropriated from:		
15	Federal revenues:		
16	Federal funds.....		200,000
17	Special revenue funds:		
18	Mackinac Island state park operation fund.....		163,200
19	Mackinac Island state park fund.....		1,571,100
20	History, arts, and libraries fund.....		200,000
21	State general fund/general purpose .....	\$	1,595,700
22	<b>Sec. 106. MICHIGAN HISTORICAL PROGRAM</b>		
23	Full-time equated classified positions.....		83.0
24	Historical program and services--63.0 FTE positions ..	\$	5,974,700
25	State historic preservation programs (federal)--12.0		
26	FTE positions .....		850,000
27	Heritage publications--1.0 FTE positions .....		700,000

1	Special programs--1.0 FTE position.....	112,400
2	Thunder Bay national marine sanctuary and underwater	
3	preserve--1.0 FTE position .....	202,600
4	Museum store--4.0 FTE positions.....	500,000
5	Lighthouse preservation program--1.0 FTE position....	100,000
6	Michigan history day.....	<u>25,000</u>
7	GROSS APPROPRIATION.....	\$ 8,464,700
8	Appropriated from:	
9	Interdepartmental grant revenues:	
10	IDG-MODT, comprehensive transportation fund.....	3,900
11	IDG-MDOT, state aeronautics fund.....	2,500
12	IDG-MDOT, state trunkline fund.....	110,900
13	Federal revenues:	
14	DOI-NPA, historic preservation grants-in-aid.....	850,000
15	Special revenue funds:	
16	Private grants.....	10,000
17	Private - Mann house trust fund.....	102,400
18	Game and fish protection fund.....	3,500
19	Heritage publication fund.....	700,000
20	Marine safety fund.....	400
21	Special revenue, internal service and pension trust ..	72,700
22	State lottery fund.....	20,400
23	State services fee fund.....	12,800
24	Waterways fund.....	800
25	Museum fund operations.....	500,000
26	Michigan lighthouse preservation fund.....	100,000
27	History, arts, and libraries fund.....	171,000

1	State general fund/general purpose .....	\$	5,803,400
2	<b>Sec. 107. LIBRARY OF MICHIGAN</b>		
3	Full-time equated classified positions.....	71.0	
4	Book distribution centers .....	\$	350,000
5	Library of Michigan operations--69.0 FTE positions ...		6,172,500
6	Library services and technology act--2.0 FTE positions		5,557,400
7	State aid to libraries .....		12,000,000
8	Subregional state aid .....		<u>505,000</u>
9	GROSS APPROPRIATION .....	\$	24,584,900
10	Appropriated from:		
11	Federal revenues:		
12	IMLS - library services and technology act .....		5,557,400
13	Special revenue funds:		
14	History, arts, and libraries fund .....		205,000
15	State general fund/general purpose .....	\$	18,822,500

16 PART 2

17 PROVISIONS CONCERNING APPROPRIATIONS

18 **GENERAL SECTIONS**

19 Sec. 201. Pursuant to section 30 of article IX of the state  
 20 constitution of 1963, total state spending from state resources  
 21 under part 1 for fiscal year 2008-2009 is \$48,370,500.00 and state  
 22 spending from state resources to be paid to local units of  
 23 government for fiscal year 2008-2009 is \$13,235,400.00. The  
 24 itemized statement below identifies appropriations from which  
 25 spending to local units of government will occur:

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

Arts and cultural grants.....	\$	730,400
State aid to libraries.....		12,000,000
Subregional state aid.....		<u>505,000</u>
Total department of history, arts, and libraries.....	\$	13,235,400

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.

(f) "IDG" means interdepartmental grant.

(g) "IMLS" means institute of museum and library services.

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

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

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

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

(l) "Subcommittees" means all members of the appropriate

1 subcommittees of the senate and house of representatives  
2 appropriations committees.

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

8       Sec. 205. (1) A hiring freeze is imposed on the state  
9 classified civil service. State departments and agencies are  
10 prohibited from hiring any new full-time state classified civil  
11 service employees and prohibited from filling any vacant state  
12 classified civil service positions. This hiring freeze does not  
13 apply to internal transfers of classified employees from 1 position  
14 to another within a department.

15       (2) The state budget director may grant exceptions to this  
16 hiring freeze when the state budget director believes that the  
17 hiring freeze will result in rendering a state department or agency  
18 unable to deliver basic services, cause loss of revenue to the  
19 state, result in the inability of the state to receive federal  
20 funds, or necessitate additional expenditures that exceed any  
21 savings from maintaining a vacancy. The state budget director shall  
22 report quarterly to the chairpersons of the senate and house of  
23 representatives standing committees on appropriations the number of  
24 exceptions to the hiring freeze approved during the previous  
25 quarter and the reasons to justify the exception.

26       Sec. 208. The department shall use the Internet to fulfill the  
27 reporting requirements of this act. This requirement may include



1 transmission of reports via electronic mail to the recipients  
2 identified for each reporting requirement, or it may include  
3 placement of reports on an Internet or Intranet site.

4 Sec. 209. Funds appropriated in part 1 shall not be used for  
5 the purchase of foreign goods or services, or both, if  
6 competitively priced and of comparable quality American goods or  
7 services, or both, are available. Preference should be given to  
8 goods or services, or both, manufactured or provided by Michigan  
9 businesses, if they are competitively priced and of comparable  
10 quality. In addition, preference should be given to goods or  
11 services, or both, that are manufactured or provided by Michigan  
12 businesses owned and operated by veterans, if they are  
13 competitively priced and of comparable quality.

14 Sec. 211. The department shall establish and maintain  
15 affirmative action programs based on guidelines developed by the  
16 state equal opportunity workforce planning council which was  
17 created by Executive Order No. 1996-13 in order to receive general  
18 fund/general purpose dollars in compliance with section 26 of  
19 article I of the state constitution of 1963.

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 are subject to  
24 provisions of an interagency agreement between the department and  
25 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. (1) The department may provide and enter into  
7 agreements to provide general services, training, meetings,  
8 information, special equipment, software and facility use, and  
9 technical consulting services to other principal executive  
10 departments, state agencies, local units of government, the  
11 judicial branch of government, other organizations, and patrons of  
12 department facilities. Fees for services shall be reasonably  
13 related to the cost of providing the services and shall be used to  
14 offset the costs of the services. The department may receive and  
15 expend funds in addition to those authorized in part 1 which may  
16 include, but are not limited to, the following:

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

20 (b) Document and data imaging services, media, storage, and  
21 copies.

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

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

26 (e) Use of specialized equipment, facilities, and software  
27 that permit distance learning and meetings, and group decision

1 making.

2 (f) Special services including the rental of department  
3 exhibits and collections.

4 (g) Application and other fees.

5 (h) Grants, gifts, and bequests from private or public  
6 sources, including those for capital projects.

7 (2) The funds received under this section shall be deposited  
8 in and expended from the history, arts, and libraries fund  
9 established in section 216 of this act.

10 Sec. 216. (1) A fund known as the history, arts, and libraries  
11 fund is created in the department. The fund shall be used to  
12 receive and expend funds identified in sections 215 and 404(a). All  
13 funds in excess of those funds appropriated in part 1 are  
14 appropriated for expenditure upon receipt. The fund balance may be  
15 carried forward for expenditure in subsequent fiscal years.

16 (2) The department shall provide a report to the senate and  
17 house of representatives appropriations subcommittees on history,  
18 arts, and libraries, and to the state budget director, of all  
19 revenues to and expenditures from the history, arts, and libraries  
20 fund in excess of those amounts appropriated in part 1. The report  
21 shall include an estimated fund balance for the fiscal year ending  
22 September 30, 2009. The report is due November 1, 2009.

23 Sec. 217. (1) Due to the current budgetary problems in this  
24 state, out-of-state travel for the fiscal year ending September 30,  
25 2009 shall be limited to situations in which 1 or more of the  
26 following conditions apply:

27 (a) The travel is required by legal mandate or court order or

1 for law enforcement purposes.

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

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

8 (d) The travel is necessary to comply with federal  
9 requirements.

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

12 (f) The travel is financed entirely by federal or nonstate  
13 funds.

14 (2) If out-of-state travel is necessary but does not meet 1 or  
15 more of the conditions in subsection (1), the state budget director  
16 may grant an exception to allow the travel. Any exceptions granted  
17 by the state budget director shall be reported on a monthly basis  
18 to the senate and house of representatives standing committees on  
19 appropriations.

20 (3) Not later than January 1 of each year, each department  
21 shall prepare a travel report listing all travel by classified and  
22 unclassified employees outside this state in the immediately  
23 preceding fiscal year that was funded in whole or in part with  
24 funds appropriated in the department's budget. The report shall be  
25 submitted to the senate and house of representatives standing  
26 committees on appropriations, the senate and house fiscal agencies,  
27 and the state budget director. The report shall include the

1 following information:

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

4 (b) The destination of each travel occurrence.

5 (c) The dates of each travel occurrence.

6 (d) A brief statement of the reason for each travel  
7 occurrence.

8 (e) The transportation and related costs of each travel  
9 occurrence, including the proportion funded with state general  
10 fund/general purpose revenues, the proportion funded with state  
11 restricted revenues, the proportion funded with federal revenues,  
12 and the proportion funded with other revenues.

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

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

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

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

1 services for bonding activities or for those activities that the  
2 attorney general authorizes.

3       Sec. 224. (1) The department of history, arts, and libraries  
4 shall collaborate with the state board of education, the department  
5 of human services, the department of community health, and the  
6 department of labor and economic growth to extend the duration of  
7 the Michigan after-school partnership and to oversee its efforts to  
8 implement the policy recommendations and strategic next steps  
9 identified in the Michigan after-school initiative's report of  
10 December 15, 2003.

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

22       (3) Participation in the Michigan after-school partnership  
23 shall be expanded beyond the membership of the initial Michigan  
24 after-school initiative to increase the representation of parents,  
25 youth, foundations, employers, and others with experience in  
26 education, child care, after-school and youth development services,  
27 and crime and violence prevention, and to include representation

1 from the Michigan department of history, arts, and libraries. Each  
2 year, on or before December 31, the Michigan after-school  
3 partnership shall report its progress in reaching the  
4 recommendations set forth in the Michigan after-school initiative's  
5 report to the legislature and governor.

6       Sec. 226. (1) In addition to the funds appropriated in part 1,  
7 there is appropriated an amount not to exceed \$2,000,000.00 for  
8 federal contingency funds. These funds are not available for  
9 expenditure until they have been transferred to another line item  
10 in this act under section 393(2) of the management and budget act,  
11 1984 PA 431, MCL 18.1393.

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

18       (3) In addition to the funds appropriated in part 1, there is  
19 appropriated an amount not to exceed \$100,000.00 for local  
20 contingency funds. These funds are not available for expenditure  
21 until they have been transferred to another line item in this act  
22 under section 393(2) of the management and budget act, 1984 PA 431,  
23 MCL 18.1393.

24       (4) In addition to the funds appropriated in part 1, there is  
25 appropriated an amount not to exceed \$750,000.00 for private  
26 contingency funds. These funds are not available for expenditure  
27 until they have been transferred to another line item in this act

Hosue Bill No. 5804 (H-1) as amended March 19, 2008

under section 393(2) of the management and budget act, 1984 PA 431,  
MCL 18.1393.

Sec. 227. From the funds appropriated in part 1, the department shall implement continuous improvement efficiency mechanisms in the programs administered by the department. The continuous improvement efficiency mechanisms shall identify changes made in programs to increase efficiency and reduce expenditures in the programs. On March 31, 2009 and September 30, 2009, the department shall submit a report to the state budget director, the senate and house appropriation subcommittees, and the senate and house fiscal agencies on the progress made toward increased efficiencies in department programs. At a minimum, each report shall include information on the program review process, the type of improvement mechanisms implemented, and actual and projected expenditure savings as a result of the increased program efficiencies.

Sec. 228. Within 10 days of the receipt of a grant appropriated in the federal, local and private grants line item in part 1, the department shall notify the house and senate chairpersons of the appropriations subcommittees responsible for the department budget, the house and senate fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

[Sec. 229. From the funds appropriated in part 1, the department shall develop, post, and maintain, on a publicly accessible Internet site, all expenditures made by the agency within a fiscal year. The posting must include the purpose for which each expenditure is made.]

**MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS**

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



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

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

6           (i) The department's intended goals and outcomes for each  
7 program.

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

10          (b) Seek to award grants on an equitable geographic basis to  
11 the extent possible given the quality of grant applications  
12 received.

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

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

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

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

27          (4) The MCACA shall provide for fair, equitable, and efficient

1 distribution of funds granted through the regional regranting  
2 program. The MCACA shall provide for an annual assessment of grant  
3 management and distribution of mini-grant awards by designated  
4 regional regranting agencies and review the methodology employed.

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

11 (6) The department shall withhold undistributed grant payments  
12 from a grant recipient who violates the requirements for funding in  
13 subsection (3) and may disqualify the grant recipient from award of  
14 future grants for a period of not more than 3 years.

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

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

22 (b) Arts projects program.

23 (c) Arts and learning program.

24 (d) Artists in residence for education program.

25 (e) Arts organization development program.

26 (f) Capital improvement program.

27 (g) Local arts agencies services program.

1 (h) Regional regranting program.

2 (i) Partnership program.

3 (j) Rural arts and cultural program.

4 (k) Cultural projects program.

5 (l) Historical society projects program.

6 (m) Discretionary grants program.

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

8 Sec. 403. (1) From the state funds appropriated in part 1 for  
9 arts and cultural grants, no 1 organization may receive more than  
10 15% of this funding.

11 (2) The MCACA shall make every effort to provide total grant  
12 awards in the anchor organization program at a level not to exceed  
13 70% of the total amount appropriated for arts and cultural grants.

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

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

1 section 401(3) and (6).

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

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

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

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

23 (d) Each applicant for a grant which charges admission to  
24 their institution may offer a discounted rate for admission to  
25 current and former United States servicemen and servicewomen,  
26 firefighters, police officers, and first responders.

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 web site 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 director, 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 or domicile 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 or  
6 domicile of the applicant, and amount awarded for any regranted  
7 funds in the preceding fiscal year.

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

13 (i) The MCACA guidelines for awarding grants.

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

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

24 **MICHIGAN HISTORICAL PROGRAM**

25 Sec. 501. The federal funds appropriated in part 1 for the  
26 historic site preservation grants are for work projects and shall

1 not lapse at the end of the fiscal year but shall continue to be  
2 available for expenditure until the projects for which the funds  
3 were reserved have been completed or are terminated. The purpose of  
4 these work projects is the identification, designation,  
5 rehabilitation, and preservation of historic resources. The method  
6 used will be to solicit applications, score applications based upon  
7 established criteria, and award subgrants. The department shall  
8 execute a grant agreement with each recipient. The total cost is  
9 \$85,000.00, and the tentative completion date is September 30,  
10 2009.

11 Sec. 502. Funds collected by the department under sections 6,  
12 7, and 7a of 1913 PA 271, MCL 399.6, 399.7, and 399.7a, are  
13 appropriated to the department for the purposes for which they were  
14 received, upon receipt.

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

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

1       Sec. 506. Proceeds in excess of costs incurred in the conduct  
2 of auctions, sales, or transfers of artifacts no longer considered  
3 suitable for the collections of the state historical museum are  
4 appropriated to the department and may be expended upon receipt for  
5 additional material for the collection. The department shall notify  
6 the chairpersons, vice chairpersons, and minority vice chairpersons  
7 of the senate and house appropriations subcommittees on history,  
8 arts, and libraries 1 week prior to any auctions or sales.

9       **LIBRARY OF MICHIGAN**

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

26       Sec. 602. The funds appropriated in part 1 for a subregional



1 library shall not be released until a budget for that subregional  
2 library has been approved by the department for expenditures for  
3 library services directly serving the blind and persons with  
4 disabilities.

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