

Summary: As Passed by the House
HISTORY, ARTS, AND LIBRARIES FY 2003-04
Senate Bill 279 (H-1)



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Overview

The Department of History, Arts, and Libraries administers programs in four major areas: arts and cultural affairs, which includes administration of Michigan's Arts and Cultural Grants program; Mackinac Island State Park Commission, which oversees operational activities at the Mackinac Island State Park, the Michilimackinac State Park, and the Mill Creek State Park; historical program, which includes historical museum system, historical publications, archaeological, and lighthouse preservation activities and library services, providing reference services to the public and Legislative, Executive, and judicial branches of state government, as well as assisting public libraries statewide.

Summary of Major Budget Issues

Arts and Cultural Grants Reduction – The **Executive** recommendation proposed a 49% (\$10,629,200) GF/GP reduction of Arts and Cultural Grants funding from the FY 2002-03 year-to-date (YTD) level. The **Senate** restores \$646,500 thereby reducing the grants line by 45% (\$9,982,700) from the FY 2002-03 YTD. The **House** concurs with the Executive recommendation.

Reductions to Local Libraries – The **Executive Recommendation** included a \$1,019,000 GF/GP reduction in grant funding to local libraries from the FY 2002-03 YTD level. Programs affected include State Aid to libraries, Subregional State Aid to the blind and physically handicapped, and specific grants to the Detroit Public Library and the Grand Rapids Public Library. The **Senate** removes all funding to grant appropriation lines specific to the Detroit Public and Grand Rapids Public libraries; and maintains current year funding for State Aid to Libraries thereby restoring \$850,700 GF/GP. The **House** restores 60% of current year level funding to the Detroit and Grand Rapids public libraries. State Aid to Libraries lost \$388,100 from current year.

Administrative Reductions (Program Management) – The **Executive Recommendation** proposed administrative reductions within program management areas to create budgetary savings in the amount of \$1,791,300 GF/GP. These reductions are taken in six appropriation lines. The **Senate** concurs with the Executive. The **House** concurs with the Senate.

FY 2003-04 Recommendations

	FY 2002-03 YTD (as of 3/6/03)	Executive	Senate	House	Enacted	Difference: House to 2002-03 YTD	
						Amount	%
IDG/IDT	\$0	\$137,500	\$137,500	\$137,500		\$137,500	100.0
Federal	8,295,700	9,322,600	9,322,600	9,322,600		1,026,900	12.4
Local	0	0	0	0		0	0.0
Private	577,400	577,400	577,400	577,400		0	0.0
Restricted	1,900,900	2,308,800	2,308,800	2,308,800		407,900	21.5
GF/GP	58,451,600	46,440,000	44,786,300	44,784,800		(13,666,800)	(23.4)
Gross	\$69,225,600	\$58,786,300	\$57,132,600	\$57,131,100		(\$12,094,500)	(17.5)
FTEs	247.5	254.5	254.5	254.5		7.0	2.8

<u>Major Budget Changes from FY 2002-03 YTD Appropriations:</u>		<u>YTD FY 2002-03</u>	<u>House Change</u>
1. Arts and Cultural Grants		Gross	\$22,400,500 (\$10,629,200)
The Executive Recommendation proposed a 49% (\$10,629,200) GF/GP reduction of Arts and Cultural Grants funding from the FY 2002-03 year-to-date (YTD) level. The Senate restores \$646,500 thereby reducing the grants line by 45% (\$9,982,700) from the FY 2002-03 YTD. The House concurs with the Executive.		Federal	700,000 0
Executive Change: (\$10,629,200)		GF/GP	\$21,700,500 (\$10,629,200)
Senate Change: (\$9,982,700)			
2. Administrative Reductions - Programs		Gross	N/A (\$1,791,300)
The Executive proposed GF/GP reductions ranging from 11% to 15% within the following lines from YTD FY 2003-04. Reduced funding may influence salary and other operating expenses.		GF/GP	N/A (\$1,791,300)
Administration (Arts)..... (89,200)			
Mackinac Island State Park Operation..... (163,300)			
Historical Facilities System..... (30,000)			
Historical Administration and Services..... (667,400)			
Thunder Bay National Marine Sanctuary and Underwater (26,500)			
Library of Michigan Operations..... (667,400)			
The Senate and House concur with the Executive.			
Executive Change: (\$1,791,300)			
Senate Change: (\$1,791,300)			
3. Records Center and State Demographer Transfer		FTE	0.0 9.5
The Records Center and State Demographer programs are moved from the Department of Management and Budget to the Department of History, Arts and Libraries pursuant to Executive Order 2002-17. The Executive proposed to include funding within the following appropriation lines:		Gross	\$0 \$1,402,000
Management Services\$90,000		GF/GP	\$0 \$1,402,000
Information Technology Services and Projects . \$27,400			
Historical Administration and Services.....\$1,119,600			
Library of Michigan Operations.....\$165,000			
The Senate and House concur with the Executive.			
Executive Change: \$1,402,000			
Senate Change: \$1,402,000			

<u>Major Budget Changes from FY 2002-03 YTD Appropriations:</u>		<u>YTD FY 2002-03</u>	<u>House Change</u>
4. State Aid to Libraries	Gross	\$12,660,600	(\$388,100)
The Executive included an \$850,700 GF/GP reduction in grant funding to State Aid to Libraries from the FY 2002-03 YTD level. This represents a 6.7% reduction from YTD. The Senate restores the \$850,700 GF/GP. The House supports a \$388,100 reduction from current year.	GF/GP	\$12,660,600	(\$388,100)
Executive Change: (\$850,700)			
Senate Change: \$0			
5. Subregional State Aid	Gross	\$540,900	(\$35,800)
The Executive Recommendation included a \$35,800 GF/GP reduction in grant funding to Subregional State Aid from the FY 2002-03 YTD level. This represents a 6.6% reduction from YTD. The Senate and House concur with the Executive.	GF/GP	\$540,900	(\$35,800)
Executive Change: (\$35,800)			
Senate Change: (\$35,800)			
6. Grand Rapids Public Library	Gross	\$194,300	(\$77,700)
The Executive Recommendation included an \$8,500 GF/GP reduction in funding to the Grand Rapids Public Library appropriation line from the FY 2002-03 YTD level. This represents a 6.6% GF/GP reduction from YTD. The Senate removes all funding for this appropriation line. The House restores 60% of the FY 2002-03 YTD level, therefore a \$77,700 reduction from current year.	Federal	64,800	(25,900)
	GF/GP	\$129,500	(\$51,800)
Executive Change: (\$8,500)			
Senate Change: (\$194,300)			
7. Grant to the Detroit Public Library	Gross	\$2,780,000	(\$1,112,000)
The Executive Recommendation included a \$124,000 GF/GP reduction and a \$26,900 federal increase in funding to the Grant to the Detroit Public Library appropriation line from the FY 2002-03 YTD level. This represents a 6.7% GF/GP reduction from YTD. The Senate removes all funding for this appropriation line. The House restores 60% of the FY 2002-03 YTD level, therefore a \$1,112,000 reduction from current year.	Federal	935,200	(374,100)
	GF/GP	\$1,844,800	(\$737,900)
Executive Change: (\$97,100)			
Senate Change: (\$2,780,000)			

<u>Major Budget Changes from FY 2002-03 YTD Appropriations:</u>		<u>YTD FY 2002-03</u>	<u>House Change</u>
8. Library Services Technology Fund			
It was proposed by the Executive that the federal authorization for Library Services and Technology Act (LSTA) authorization be increased by \$1.0 million. The adjustment allows for the expenditure of available revenue through sub grants to encourage the use of technology by Michigan libraries. The Senate and House concur with the Executive. Executive Change: \$1,000,000 Senate Change: \$1,000,000	Gross	\$4,557,400	\$1,000,000
	Federal	4,557,400	1,000,000
9. Renaissance Zone Reimbursement			
The Executive Recommendation included a \$644,400 increase for Renaissance Zone Reimbursement payments. These payments hold harmless libraries that lose money from their property tax levies due to the presence of a Renaissance Zone within their taxing authority. The Senate deletes this appropriation recommending a transfer of responsibility to Treasury. The House concurs with the Senate. Executive Change: \$644,400 Senate Change: (\$995,600)	Gross	\$995,600	(\$995,600)
	GF/GP	\$995,600	(\$995,600)
10. Mackinac Island State Park Commission			
The Executive included increases of restricted fund authorization for the Airport Park Operations Fees, \$30,000; and the Mackinac Island State Park Fund, \$235,000. These increases represent projected available revenues. The Senate and House concur with the Executive. Executive Change: \$265,000 Senate Change: \$265,000	Gross	\$1,114,000	\$265,000
	Restricted	1,114,000	265,000
11. Administrative Reductions - Management			
The Executive proposed GF/GP reductions ranging from 11% to 14% within the following lines from YTD FY 2002-03. Reduced funding may influence salary and other operating expenses. Management Services (\$231,800) Office of Film and Television Services..... (\$15,100) Information Technology Serv. and Projects.. (\$142,400) The Senate agrees with the Executive, but only reduces the Office of Film and Television Services by \$2,700 GF/GP. The House concurs with the Senate. Executive Change: (\$389,300) Senate Change: (\$386,600)	Gross	N/A	(\$386,600)
	GF/GP	N/A	(\$386,600)

<u>Major Budget Changes from FY 2002-03 YTD Appropriations:</u>		<u>YTD FY 2002-03</u>	<u>House Change</u>
12. Lighthouse Grants	Gross	\$152,700	(\$12,700)
The Executive Recommendation proposed that the Michigan Lighthouse Assistance Program be paused for FY 2003-04. By pausing the program the Executive projects GF/GP savings of \$152,700. The Senate restores \$140,000 of the reduction. The House concurs with the Senate.	GF/GP	\$152,700	(\$12,700)
Executive Change: (\$152,700)			
Senate Change: (\$12,700)			
13. Special Collections Transition Funding	Gross	\$0	\$0
The Senate provides the Detroit Public Library and Grand Rapids Public Library, \$100,000 and \$50,000 respectively for special collections transition funding. See Sec. 606. The House deletes this appropriation line.	GF/GP	\$0	\$0
Executive Change: \$0			
Senate Change: \$150,000			
14. \$100 GF/GP Differences	Gross	\$0	(\$1,500)
The House created a (\$100) GF/GP point of difference from the Senate in lines supported with general funds.	GF/GP	\$0	(\$1,500)
Executive Change: n/a			
Senate Change: n/a			

Major Boilerplate Changes from FY 2002-03:

Contingency Funds – DELETED

The **Senate** strikes contingency fund language, Sec. 206 of current year language. The **House** concurs with the Senate.

Sec. 207. Privatization Plan – RETAINED

Requires submission of project plan to Legislature 60 days before beginning any effort to privatize. The **Executive** deletes. The **Senate** maintains current year language. The **House** concurs with the Senate.

Sec. 209. American Goods and Services – RETAINED

Prohibits purchase of foreign goods and services if comparably priced American goods and services are available. The **Executive** deletes. The **Senate** maintains current year language. The **House** concurs with the Senate.

Sec. 210. Deprived and Depressed Communities – RETAINED

Requires that reasonable steps be taken to ensure businesses in deprived and depressed communities compete for and perform state contracts. The **Executive** deleted. The **Senate** maintains current year language. The **House** concurs with the Senate.

Major Boilerplate Changes from FY 2002-03:

Sec. 211. Affirmative Action – RETAINED

Requires that in order to receive GF/GP funding, the Department must follow the guidelines developed by the state equal opportunity workforce planning council. The **Executive** deleted. The **Senate** maintains current year language. The **House** concurs with the Senate.

Sec. 212. Revolving Fund/Receive and Expend Language – NEW

The Department may receive and expend monies related to certain activities, such as contributions, gifts and bequests. Unexpended funds at year-end may be carried forward. The **Senate** concurs with **Executive**. The **House** concurs with the Senate.

Appropriation of Unexpended GF/GP – DELETED

In Sec. 212 of the **Executive Recommendation**, in order to encourage administrative efficiencies, appropriates up to one-half of the unexpended, unreserved portions of FY 2002-03 GF/GP appropriations, subject to the approval of the budget director. The **Senate** does not include this new language. The **House** concurs with the Senate.

Statewide Database Access Expenditure Tracking – DELETED

Sec. 215 of current year language requires the Department to maintain accounting structure that will track costs related to the Statewide Database Access expenditures currently contained in the Library of Michigan Operation appropriation line. The **Senate** concurs with **Executive** to delete. The **House** concurs with the Senate.

Per Diem Payments – DELETED

Sec. 301 of current year language sets the per diem payment at \$50 per day for all commissions and boards funded from appropriations in Part 1. The **Senate** concurs with **Executive** to delete. The **House** concurs with the Senate.

Sec. 401(1). Criteria for Grant Applications – MODIFIED

The **Senate** includes “Historical Projects Program” as an additional category of arts and cultural grants funding. The **House** concurs with the Senate.

Sec. 401(7). Arts Grant Application Fees – MODIFIED

Allows the Department to collect grant application fees to be used for direct and indirect cost recovery. The **Executive** increased the fee charged from \$100 or 1% of the grant which ever is less to \$300 or 3% of the grant whichever less is. The **Senate** concurs with **Executive**. The **House** concurs with the Senate.

Sec. 401(10). Limiting Anchor Organization Program Funding Level – MODIFIED

The **Senate** changes the limit of how much the total anchor organization program funding can be as a percentage of the total arts and cultural grants funding. The percentage is increased from 65% to 70%. The **House** concurs with the Senate.

Limiting Anchor Organization Program Awards – DELETED

The **Senate** Sec. 401(13) provided language requiring that no organization receiving funding under the anchor organization program shall receive an award that exceeds 10% of the total appropriation for arts and cultural grants appropriated in part 1. The **House** deletes this language.

Sec. 504. Lighthouse Program Guidelines – RETAINED

Established the guidelines for the lighthouse program. The **Executive** deleted due to a pause in the program. The **Senate** maintains current year language but adjusts funding amount from \$152,700 to \$140,000. The **House** concurs with the Senate.

Major Boilerplate Changes from FY 2002-03:

Sec. 505. Michigan Freedom Trail Commission – MODIFIED

The **Senate** increases the amount of funding from \$71,200 to \$74,700 to support operations of the Michigan Freedom Trail Commission. The **House** concurs with the Senate.

Application Fees for State Historic Sites – DELETED

Sec. 506 of current year language describes application fees and their use for each application submitted for property designated as a state historic site; provides for the deposit of fees into a revolving account; limits fund expenditures to correcting, repairing, or replacing historic markers. The **Executive** deleted due to passage of 2002 PA 488. The **Senate** concurs with Executive to delete. The **House** concurs with the Senate.

Sec. 506. Sale of State Historical Museum Artifacts – NEW

New **Executive** recommended language allows that proceeds from the sale of unsuitable Michigan Historic Museum artifacts may be used to purchase additional material for the collection. These revenues are immediately appropriated for expenditure. The **Senate** modifies the language to include a requirement that the Department notify the chairs of the appropriations Committees one week prior to any auctions or sales. The **House** agrees with the Senate but modifies to include the vice chair and minority vice chair in the notification process.

Sec. 507. Historical Society of Michigan Access to Michigan History Magazine Subscriber List – NEW

The **Senate** makes available to the Historical Society of Michigan the *Michigan History Magazine* subscriber list at actual cost and unless prohibited by law. The **House** concurs with the Senate.

Sec. 601. Subregional State Aid – MODIFIED

Requires local units of government to maintain their local support for subregional library services in order to receive Subregional State Aid. The **Executive** modified the language to include not only local units of government but as well cooperative and district libraries. The **Senate** concurs. The **House** concurs with the Senate.

Sec. 604. Federal Aid to Libraries – NEW

The **Senate** requires that the funding in the new *Federal Aid to Libraries* appropriation line be awarded on a competitive basis to all eligible libraries for the purpose of providing computers to train library staff to assist claimants in accessing unemployment agency websites. The **House** concurs with the Senate.

Sec. 605. Federal Reed Act Work Project 2002 PA 530 – NEW/MODIFIED

The **Senate** makes available to eligible libraries, Federal Reed Act funds currently authorized in a work project account, originally authorized in 2002 PA 530, to be competitively granted for the purpose of providing libraries with computers to train library staff to assist claimants in accessing unemployment agency websites. The **House** modifies by removing language that requires grants to be awarded on a competitive basis.

Sec. 606. Special Collections Transition Funding – NEW/MODIFIED

The **Senate** includes language designating \$100,000 to the Detroit Public Library and \$50,000 to the Grand Rapids Public Library for special collections transition funding. Language also requires that the Department shall conduct a study on special collections at all Michigan public libraries, and will produce a report to the legislature no later than September 30, 2004, on recommendations for funding of these special collections. The **House** strikes subsection 1 which allocates the \$100,000 and \$50,000, but retains the language requiring the Department to report on statewide special collections.

Major Boilerplate Changes from FY 2002-03:

Sec. 607. Detroit Public Library Report – NEW/MODIFIED

The **Senate** includes language requiring a report to the legislature by February 1 which will include; the number of patrons who used the special collections in the previous calendar year and where they are from; a list of fees charged the patrons and what service the fee represented; a report on the specific fund sources that support the special collections and how those funds have been allocated over the past 5 years; a plan for maintaining or dispersing the special collections at current service levels after the supplemental grant funding for the library ends. The **House** concurs with the first three subsections, but strikes the language requiring a plan for dispersing the special collections.

Sec. 608. Detroit Public Library Special Collections Hours – NEW/DELETED

The **Senate** adds language asking that the Detroit Public Library ensure that the special collections maintained by the library be available on nights and weekends in addition to regular business hours. The **House** strikes this language.