



Senate Fiscal Agency
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BILL ANALYSIS

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FY 2003-04 Year-to-Date Gross Appropriation	\$56,548,000
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Changes from FY 2003-04 Year-to-Date:

Items Included by the House and Senate

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| 1. Eliminate Reed Act Funding. FY 2003-04 was the final year that this Federal funding was available. The House and Senate concurred. | (1,211,300) |
| 2. Mackinac Island State Park. The Governor recommended an increase in the restricted fund spending authority to address the costs of maintenance projects on the Island. The House and Senate concurred. | 43,600 |
| 3. Information Technology Desktop Rate Adjustment. The Governor recommended a rate adjustment to more accurately reflect the cost of these services. The House and Senate concurred. | 31,000 |
| 4. Human Resources Optimization Savings. | (19,600) |
| 5. Economic Adjustments. These adjustments include a base adjustment for FY 2003-04 and FY 2004-05, a reduction for anticipated employee related savings, other economic adjustments including adjustments for Information Technology. The House and Senate concurred. | 726,500 |

Conference Agreement on Items of Difference

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| 6. Preservation and Access for Michigan Project. The Governor proposed funding for this new pilot program to digitize documents that are considered rare and or historically significant to Michigan being held by local libraries, or the State. The project would make them available on the Michigan Electronic Library. The House concurred. The Senate reduced to \$325,000. Conference increased by \$640,000 over Senate. | 965,000 |
| 7. Fund Shift for the Detroit and Grand Rapids Libraries. The Governor recommended appropriating General Fund dollars to replace Federal Reed Act funds used to provide supplemental support for these two libraries at the FY 2003-04 level, \$1 million for Detroit and \$125,000 for Grand Rapids. The House reduced the Detroit line by \$500,000 and the Grand Rapids line by \$25,000. The Senate eliminated funding for these line items. Conference Committee concurred with Senate. | 0 |
| 8. State Aid to Libraries. The House increased GF/GP to this line. The Senate increased by an additional \$100,000. Conference maintained at current year. | 0 |
| 9. Local Historical Societies Grant Program. The House added funding for this new grant program. The Senate created an item of difference. Conference concurred with House. | 100,000 |
| 10. Book Distribution Centers. The House increased this line item. The Senate reduced by \$100. Conference concurred with House. | 20,000 |
| 11. Arts and Cultural Grants. The Senate increased GF/GP funding for this line item. Conference maintained at current-year level. | 0 |
| 12. Historical Grants. The Senate created this new line item to provide funding for Michigan History Day (\$25,000) and the Arenac County Historical Society Charity Island Lighthouse (\$15,000). Conference concurred and funded History Day at Senate level and the lighthouse at \$10,000. | 35,000 |
| 13. Film Office. The Senate increased by \$2,400. Conference added \$2,600 to Senate. | 5,000 |
| 14. Department of Information Technology. The Senate recommended a 7% reduction. Conference included a 4% reduction. | (16,500) |
| 15. Items of Difference. Senate created in all General Fund lines. Conference restored this funding. | 0 |
| 16. Salary and Benefit Savings. Conference included Governor's revised recommendation. | (133,100) |

Total Changes	545,600
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FY 2004-05 Conference Report Gross Appropriation	\$57,093,600
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2003-04 Year to Date:Items Included by the House and Senate

1. **Deleted Sections.** The Governor recommended deleting the following sections:
 - a. Availability of Michigan History Magazine Subscriber list. House and Senate included.
 - b. Federal Aid to Libraries allocation language. House and Senate concurred.
 - c. Federal Reed Act Work Project language. House and Senate concurred.
 - d. Study of special collections at public libraries. House and Senate concurred.
 - e. Book Distribution Center grant language. House and Senate included.
2. **History, Arts and Libraries Service Fund.** The Governor recommended adding language regarding the creation of this fund which allows the department to deposit funding generated from providing general services to other departments, or other units of government. The language would also allow any balance in this fund to carry forward into subsequent fiscal year. The House and Senate concurred. (Sec. 216)

Conference Agreement on Items of Difference

3. **Standard Language.** The Governor proposed deleting the following language sections: Hiring Freeze, Privatization, Deprived and Depressed, Affirmative Action, Receive and Retain Reports. Reinserted the Contingency Fund Language. The House included these sections and concurred on Contingency Funds. The Senate concurred with the House but deleted contingency funds, changed hiring freeze, added 50% travel cut, and added intent language regarding alternate fund source options for the Department. Conference included target travel language and retained current-year hiring freeze.
4. **Arts and Cultural Grants.** The House added language that prohibits an organization from receiving more than 18% of total funding and provides a phase out over four years down to 15%. The Senate concurred but added language capping discretionary grants and requiring notification of unencumbered or unexpended grant funds. Conference did not include discretionary grant cap but concurred with Senate on notification language. (Sec. 401)
5. **Lighthouse Grants.** The Governor recommended deleting subsection (4) of this grant description language which designates these allocations as work projects with a tentative completion date of September 30, 2004. The House concurred. The Senate included the work project language but deleted completion date. Conference concurred with Senate. (Sec. 504)
6. **Grants to State and Local Historical Societies.** Governor deleted. House retained current-year language. Senate added State Historic Preservation Network to eligible applicant list. Conference concurred with Senate. (Sec. 508)
7. **Historical Grants.** Senate added language allocating \$25,000 to Michigan History Day and \$15,000 to Arenac County Historical Society Charity Island Lighthouse. Conference concurred with Senate but changed Lighthouse funding to \$10,000. (Sec. 509)
8. **Preservation and Access for Michigan Project.** The Governor recommended adding language that provides guidelines for the allocation of the funding provided in Part 1 for this project. House concurred. The Senate concurred and added language requiring for equitable distribution and a 20% cap on awardees. Conference concurred with Senate but changed cap to 30%. (Sec. 604)
9. **Report.** The House added language requiring a report on the funding for the Detroit and Grand Rapids Public Libraries. The Senate did not include. Conference concurred with Senate. (Sec. 608)

Date Completed: 9-8-04

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