

**Summary: Conference Report**  
**FY 2002-03 Department of History, Arts and Libraries**  
**HB 5647**

	FTEs	Gross	IDG/IDT	Federal	Local	Private	State Restricted	GF/GP
<b>2001-02 YTD</b>	<b>145.7</b>	<b>\$74,545,700</b>	<b>\$0</b>	<b>\$7,111,800</b>	<b>\$0</b>	<b>\$577,400</b>	<b>\$2,247,400</b>	<b>\$64,609,100</b>
<b>Revised Executive</b>	<b>246.5</b>	<b>\$72,264,900</b>	<b>\$0</b>	<b>\$7,111,300</b>	<b>\$0</b>	<b>\$577,400</b>	<b>\$1,900,900</b>	<b>\$62,675,300</b>
Rev Exec Change from YTD	100.8	(\$2,280,800)	\$0	(\$500)	\$0	\$0	(\$346,500)	(\$1,933,800)
<b>House</b>	<b>247.5</b>	<b>\$72,264,900</b>	<b>\$0</b>	<b>\$7,111,300</b>	<b>\$0</b>	<b>\$577,400</b>	<b>\$1,900,900</b>	<b>\$62,675,300</b>
House Change from YTD	101.8	(\$2,280,800)	\$0	(\$500)	\$0	\$0	(\$346,500)	(\$1,933,800)
House % Change from YTD	69.9%	(3.1%)	0.0%	0.0%	0.0%	0.0%	(15.4%)	(3.0%)
<b>Senate</b>	<b>247.5</b>	<b>\$72,314,800</b>	<b>\$0</b>	<b>\$7,111,300</b>	<b>\$0</b>	<b>\$577,400</b>	<b>\$1,900,900</b>	<b>\$62,725,200</b>
Senate Change from House	0.0	\$49,900	\$0	\$0	\$0	\$0	\$0	\$49,900
Senate % Change from House	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Senate Change from YTD	101.8	(\$2,230,900)	\$0	(\$500)	\$0	\$0	(\$346,500)	(\$1,883,900)
Senate % Change from YTD	69.9%	(3.0%)	0.0%	(0.0%)	0.0%	0.0%	(15.4%)	(2.9%)
<b>Conference Report</b>	<b>247.5</b>	<b>\$59,586,200</b>	<b>\$0</b>	<b>\$8,111,300</b>	<b>\$0</b>	<b>\$577,400</b>	<b>\$1,900,900</b>	<b>\$48,996,600</b>
Conference Change from House	0.0	(\$12,678,700)	\$0	\$1,000,000	\$0	\$0	\$0	(\$13,678,700)
Conference % Change from House	0.0%	(17.5%)	0.0%	14.1%	0.0%	0.0%	0.0%	(21.8%)
Conference Change from YTD	101.8	(\$14,959,500)	\$0	\$999,500	\$0	\$0	(\$346,500)	(\$15,612,500)
Conference % Change from YTD	69.9%	(20.1%)	0.0%	14.1%	0.0%	0.0%	(15.4%)	(24.2%)

**OVERVIEW**

The Department of History, Arts and Libraries (HAL) administers programs in four major areas: arts and cultural affairs, which includes administration of Michigan's Arts and Cultural Grants program; the 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; the historical program, which includes the historical museum system, historical publications, archaeological, and lighthouse

preservation activities; library services, providing reference services to the public and Legislative, Executive and Judicial branches of state government, as well as assisting public libraries statewide.

**Major Budget Changes from FY 2001-02 YTD Appropriations:**

		<u>House</u>	<u>Senate</u>	<u>Conf. Committee</u>
<b>1. Transfers from Department of Natural Resources, Department of State and Consumer and Industry Services</b>	FTEs Gross GF/GP	4.0 \$461,800 \$461,800	4.0 \$461,800 \$461,800	4.0 \$461,800 \$461,800
To complete the Executive branch consolidation of appropriate activities and funding sources relating to HAL, the <b>Executive</b> Recommendation included transfers of 1.0 FTE \$50,000 from DNR; 2.0 FTEs \$261,800 from DOS; and \$150,000 from CIS. The <b>House</b> modified the Executive recommendation to include 1.0 FTE associated with the funding received from CIS. The <b>Senate</b> and <b>Conference Committee</b> concur with the House.				
<b>2. Thunder Bay National Marine Sanctuary and Underwater Preserve</b>	Gross GF/GP	\$250,000 \$250,000	\$250,000 \$250,000	\$250,000 \$250,000
The <b>Executive</b> recommendation included funding to support the "Thunder Bay National Marine Sanctuary and Underwater Preserve". The National Oceanic and Atmospheric Administration (NOAA) has designated Thunder Bay as the 13 <sup>th</sup> national marine sanctuary because of its historical significance and its collection of over 100 shipwrecks. This \$250,000, along with federal support, will be used to manage the collection of shipwrecks in the bottomlands of Thunder Bay. The <b>House, Senate</b> and <b>Conference Committee</b> concur with the Executive recommendation.				
<b>3. Renaissance Zone Reimbursement Funding Increase</b>	Gross GF/GP	\$243,200 \$243,200	\$243,200 \$243,200	\$243,200 \$243,200
The <b>Executive</b> provided for increased reimbursements to libraries located in a Renaissance Zone. These payments hold harmless public libraries that lose money from their levies due to the presence of a Renaissance Zone within their taxing authority. The <b>House, Senate</b> and <b>Conference Committee</b> concur with the Executive recommendation.				
<b>4. Remove One-Time Arts Funding</b>	Gross GF/GP	(\$3,000,000) (\$3,000,000)	(\$3,000,000) (\$3,000,000)	(\$3,000,000) (\$3,000,000)
The <b>Executive</b> reduced one-time funding for the "Arts and Cultural Supplemental Grants" appropriation line (\$2.0 million) and the Museum of African-American History" appropriation line (\$1.0 million). The <b>House, Senate</b> and <b>Conference Committee</b> concur with the Executive Recommendation.				
<b>5. Arts and Cultural Grants Reduction</b>	Gross GF/GP	(\$250,000) (\$250,000)	(\$250,000) (\$250,000)	(\$12,150,000) (\$12,150,000)
The <b>Executive</b> recommended a \$250,000 reduction to the "Arts and Cultural Grants" appropriation line, which will fund the new Thunder Bay appropriation line. The <b>House</b> and <b>Senate</b> concur with the Executive recommendation. The <b>Conference Committee</b> recommends an additional \$11.9 million GF/GP reduction to the Arts and Cultural Grants appropriation line, to be restored with passage of a cigarette tax increase. (See related boilerplate on page 4)				
<b>6. Restricted Revenue Adjustment</b>	Gross Restr GF/GP	(\$317,000) (317,000) \$0	(\$317,000) (317,000) \$0	(\$317,000) (317,000) \$0
The <b>Executive</b> recommended an increase of \$40,000 for Airport and Park Operation fees and a decrease of \$357,000 Mackinac Island State Park Fund reflecting less bond revenue available. The <b>House, Senate</b> and <b>Conference Committee</b> concur with the Executive recommendation.				

**Major Budget Changes from FY 2001-02 YTD Appropriations:****7. *Unclassified Salaries Adjustment***

The **Senate** increased the "Unclassified Salaries" appropriation line by \$13,700 and reduced the "Management Services" line by a like amount, with a net action of \$0. The GF/GP fund shift is to provide anticipated salary increases for the two unclassified positions. The **Executive** and the **House** did not include this item. The **Conference Committee** reduces the "Management Services" appropriation line by \$13,700, but increases the "Unclassified Salaries" line by \$8,100.

**Gross**  
GF/GP

**House**  
**\$0**  
**\$0**

**Senate**  
**\$0**  
**\$0**

**Conf.**  
**Committee**  
**(\$5,600)**  
**(\$5,600)**

**8. *History of Negro League Baseball Curriculum***

The **Senate** created a new appropriation line within the Michigan Historical Program unit entitled "History of Negro League Baseball Curriculum". The appropriation line includes funding to be used to research and create curricula for K-12 history programs that address the role of the Negro league baseball in American and Michigan history. Funding will be made available through a competitive grant process to be distributed by May 1, 2003, and a report will be due to the House and Senate Fiscal Agencies by May 15, 2003. The **Executive** and the **House** did not include this item. The **Conference Committee** does not include this item.

**Gross**  
GF/GP

**\$0**  
**\$0**

**\$50,000**  
**\$50,000**

**\$0**  
**\$0**

**9. *Early Retirement Savings***

The **Senate** included a negative appropriation of \$100 to a new "Early Retirement Savings" line item. The line item acts as a placeholder to create a point of difference from the House. If the Legislature wishes, the line item could be used as part of the eventually enrolled budget bill to incorporate projected early retirement savings. Related boilerplate provides that these savings would be applied to specific line items through the legislative transfer process (see boilerplate below).

**Gross**  
GF/GP

**\$0**  
**\$0**

**(\$100)**  
**(\$100)**

**(\$773,100)**  
**(\$773,100)**

The **Executive** and **House** did not include this appropriation. While not formally part of the Executive recommendation, the Department of Management and Budget has requested that the Legislature include the negative appropriation.

The **Conference Report** includes a GF/GP reduction of \$773,100. Of that amount, \$146,300 reflects the amount of savings anticipated to occur as a result of the early retirement program, and \$626,800 equates to a 1.0% reduction from the revised Executive recommendation. The **Conference Report** reflects these appropriation reductions in two line items, "Early Retirement Savings" and "Budgetary Savings".

**Major Budget Changes from FY 2001-02 YTD Appropriations:**

		<u>House</u>	<u>Senate</u>	<u>Conf. Committee</u>
<b>10. Creation of \$100 Items of Difference</b>	<b>Gross</b>	<b>(\$1,800)</b>	<b>\$0</b>	<b>\$0</b>
The <b>House</b> reduced the GF/GP funding within each appropriation listed below by \$100 to create an item of difference from the Senate passed bill.	GF/GP	(\$1,800)	\$0	\$0
a) Building Occupancy Charges and Rent	(\$100) GF/GP			
b) Worker's Compensation	(\$100) GF/GP			
c) Office of Film and Television Services	(\$100) GF/GP			
d) Information Technology Services and Projects	(\$100) GF/GP			
e) Administration (MCACA)	(\$100) GF/GP			
f) Arts and Cultural Grants	(\$100) GF/GP			
g) Mackinac Island Park Operation	(\$100) GF/GP			
h) Historical Facilities System	(\$100) GF/GP			
i) Historical Administration and Services	(\$100) GF/GP			
j) Thunder Bay Natl. Marine Sanctuary/Underwater Preserve	(\$100) GF/GP			
k) Book Distribution Centers	(\$100) GF/GP			
l) Grand Rapids Public Library	(\$100) GF/GP			
m) Grant to the Detroit Public Library	(\$100) GF/GP			
n) Library of Michigan Operations	(\$100) GF/GP			
o) Renaissance Zone Reimbursement	(\$100) GF/GP			
p) State Aid to Libraries	(\$100) GF/GP			
q) Subregional State Aid	(\$100) GF/GP			
r) Wayne County Library for the Blind/Physically Handicapped	(\$100) GF/GP			

The **Conference Report** does not include the \$100 GF/GP reductions created by the House.

<b>11. Federal Reed Act Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
The <b>Conference Committee</b> includes a \$64,800 reduction of GF/GP in the Grand Rapids Public Library line and a \$935,200 reduction of GF/GP in the Grant to the Detroit Public Library line, both offset with a like amount of federal revenues. The \$1.0 million of federal Reed Act revenue will be used to purchase computer hardware and internet connections, to train library staff; all of which will assist unemployed individuals seeking benefits and employment.	Fed	0	0	1,000,000
	GF/GP	\$0	\$0	\$1,000,000

**Boilerplate Changes from FY 2001-02:****GENERAL*****Sec. 206. Increase in State Restricted Contingency Funds***

The **Executive** recommended increasing the amount of State Restricted contingency funding available to the department from \$500,000 to \$1.0 million. The **House**, **Senate** and **Conference Committee** concur with the Executive recommendation.

***Sec. 215. New – Statewide Database Access Expenditure Tracking***

The **Executive** had no recommendation. The **House** included new language that requires the department to maintain accounting structure that will track costs related to the Statewide Database Access appropriation line rolled up into the Library of Michigan Operations line. The **Senate** and **Conference Committee** concur with the House.

***Sec. 216. New - Early Retirement Savings***

The **Senate** included new language recommended by the Department of Management and Budget regarding the "Early Retirement Savings" appropriation. The language states that the appropriations represent savings from the state's 2002 early retirement program and provides that the State Budget Director, no later than November 15, 2002, request legislative transfers that apply the negative appropriation to specific line items in the budget that are affected by early retirement. The **Conference Committee** modifies the language to include both early retirement and budgetary savings, but does not identify a transfer completion date (now Sec. 261).

***Sec. 262. New – Cigarette Tax Increase Condition***

The **Conference Committee** includes language that appropriates an additional \$11.9 million for Arts and Cultural Grants conditional upon a tax increase of 30 cents per pack occurring on or before September 30, 2002.

## **COUNCIL FOR THE ARTS AND CULTURAL AFFAIRS**

### ***Sec. 401(12). Legislator Notification of Districts Receiving Awards Language***

The **Executive** recommended deleting Sec. 401(12) current year language that requires that the department provide within 1 day of the final council vote, a list of grant awardees to the Committees and each legislator whose district is receiving a grant. The **House** retains current law but deletes the requirement that the announcement must be made by October 1 of the grant award fiscal year. The **Senate** and **Conference Committee** concur with the House.

### ***Sec. 401(5) (13) (14). Revised Reporting Language***

The **Executive** recommended deleting and/or modifying subsections 401(6) through (10), (19) and (22) of current year, replacing them with new language in Sections 401 (5), (13), (14) in the proposed bill. Report due dates have been modified. The **House**, **Senate** and **Conference Committee** concur with the Executive recommendation.

## **MICHIGAN HISTORICAL PROGRAM**

### ***Sec. 507. New - History of Negro League Baseball Curriculum***

The **Senate** included new language providing guidance for the use of the \$50,000 funding appropriated in part 1. The language requires that funding be made available through a competitive grant process to research and create curricula for K-12 history programs that address the role of the Negro league baseball in American and Michigan history. The **Conference Committee** does not include.

## **LIBRARY OF MICHIGAN**

### ***Sec. 656. Delete Language Regarding Naming of Board and Rare Book Room***

The **Executive** recommended deletion of language that gives the chair and vice-chair of the Legislative Council approval authority over the recommendations of the Library of Michigan Foundation and the state librarian for the naming of the boardroom and the rare book room within the library. The **House**, **Senate** and **Conference Committee** concur with the Executive recommendation.

### ***Sec. 656. New - Grand Rapids & Detroit Grants Report***

The **House** included language that requires the Grand Rapids Public Library and the Detroit Public Library to provide a detailed report on the use of funds appropriated in part 1 specifically to these two libraries. The **Senate** and **Conference Committee** concur with the House.