

**Summary: Conference Report**  
**HISTORY, ARTS, AND LIBRARIES FY 2003-04**  
**Senate Bill 279 (H-1) CR-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** and **Conference Report** concur with the Executive recommendation.

**State Aid to Libraries** – The **Executive** included an \$850,700 GF/GP reduction in funding to local libraries through the *State Aid to Libraries* appropriation line. The **Senate** restored funding to the FY 2002-03 YTD level, \$12,660,600. The **House** provided funding \$388,100 under the YTD level. The **Conference Report** provides funding in the amount of \$13,327,100, which is \$666,500 over the FY 2002-03 YTD.

**Grant to the Grand Rapids Public Library** – The **Executive Recommendation** included an \$8,500 GF/GP reduction in funding to the *Grand Rapids Public Library* appropriation line. The **Senate** removed all funding to the library, a \$194,300 reduction from FY 2002-03 YTD. The **House** provided 60% of the FY 2002-03 YTD levels of both GF/GP and Reed Act funding, a gross amount of \$116,600. The **Conference Report** provides funding in the amount of \$125,000, all of which is funded with federal Reed Act funds. The Conference amount is 64% of the current year amount. Reed Act funding ends September 30, 2004.

**Grant to the Detroit Public Library** – The **Executive Recommendation** included a \$124,000 GF/GP reduction in funding to the *Grant to the Detroit Public Library* appropriation line. The **Senate** removed all funding to the library, a \$2,780,000 reduction from FY 2002-03 YTD. The **House** provided 60% of the FY 2002-03 YTD levels of both GF/GP and Reed Act funding, a gross amount of \$1,668,000. The **Conference Report** provides funding in the amount of \$1,000,000, all of which is funded with federal Reed Act funds. The Conference amount is 40% of the current year amount. Reed Act funding ends September 30, 2004.

**FY 2003-04 Recommendations**

	FY 2002-03 YTD (as of 3/6/03)	Executive	Senate	House	Conference	Difference: Conf. to 2002-03 YTD	
						Amount	%
<b>IDG/IDT</b>	\$0	\$137,500	\$137,500	\$137,500	\$137,500	\$137,500	100.0
<b>Federal</b>	8,295,700	9,322,600	9,322,600	9,322,600	9,322,600	1,026,900	12.4
<b>Local</b>	0	0	0	0	0	0	0.0
<b>Private</b>	577,400	577,400	577,400	577,400	577,400	0	0.0
<b>Restricted</b>	1,900,900	2,308,800	2,308,800	2,308,800	2,308,800	407,900	21.5
<b>GF/GP</b>	58,451,600	46,440,000	44,786,300	44,784,800	44,784,800	(13,666,800)	(23.4)
<b>Gross</b>	<b>\$69,225,600</b>	<b>\$58,786,300</b>	<b>\$57,132,600</b>	<b>\$57,131,100</b>	<b>\$57,131,100</b>	<b>(\$12,094,500)</b>	<b>(17.5)</b>
<b>FTEs</b>	247.5	254.5	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>Conference Change</u>
<b>1. Arts and Cultural Grants</b>	<b>Gross</b>	<b>\$22,400,500</b>	<b>(\$10,629,200)</b>
The <b>Executive Recommendation</b> 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 <b>Senate</b> restores \$646,500 thereby reducing the grants line by 45% (\$9,982,700) from the FY 2002-03 YTD. The <b>House</b> and <b>Conference Report</b> concur with the Executive.	Federal	700,000	0
<b>Executive Change: (\$10,629,200)</b>	GF/GP	\$21,700,500	(\$10,629,200)
<b>Senate Change: (\$9,982,700)</b>			
<b>House Change: (\$10,629,200)</b>			
<b>2. State Aid to Libraries</b>	<b>Gross</b>	<b>\$12,660,600</b>	<b>\$666,500</b>
The <b>Executive</b> 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 <b>Senate</b> restores the \$850,700 GF/GP. The <b>House</b> supports a \$388,100 reduction from current year. The Conference Report includes a \$666,500 increase from FY 2002-03 YTD.	GF/GP	\$12,660,600	\$666,500
<b>Executive Change: (\$850,700)</b>			
<b>Senate Change: \$0</b>			
<b>House Change: (\$388,100)</b>			
<b>3. Book Distribution Centers</b>	<b>Gross</b>	<b>\$297,300</b>	<b>\$10,200</b>
The <b>Executive Recommendation</b> included a \$19,700 GF/GP reduction in funding to Book Distribution Centers from the FY 2002-03 YTD level. This represents a 6.6% reduction from YTD. The <b>Senate</b> and <b>House</b> concur with the Executive. The <b>Conference Report</b> includes an increase from current year of \$10,200 GF/GP, with new boilerplate mandating funding levels for the two distribution agencies. Gross funding equals \$307,500.	GF/GP	\$297,300	\$10,200
<b>Executive Change: (\$19,700)</b>			
<b>Senate Change: (\$19,700)</b>			
<b>House Change: (\$19,700)</b>			
<b>4. Renaissance Zone Reimbursement</b>	<b>Gross</b>	<b>\$995,600</b>	<b>(\$995,600)</b>
The <b>Executive Recommendation</b> 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 <b>Senate</b> deletes this appropriation recommending a transfer of responsibility to Treasury. The <b>House</b> and <b>Conference Report</b> concur with the Senate.	GF/GP	\$995,600	(\$995,600)
<b>Executive Change: \$644,400</b>			
<b>Senate Change: (\$995,600)</b>			
<b>House Change: (\$995,600)</b>			

<b><u>Major Budget Changes from FY 2002-03 YTD Appropriations:</u></b>		<b><u>YTD FY 2002-03</u></b>	<b><u>Conference Change</u></b>
<b>5. <i>Grand Rapids Public Library</i></b>	<b>Gross</b>	<b>\$194,300</b>	<b>(\$69,300)</b>
The <b>Executive Recommendation</b> 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 <b>Senate</b> removes all funding for this appropriation line. The <b>House</b> restores 60% of the FY 2002-03 YTD level, therefore a \$77,700 reduction from current year. The <b>Conference Report</b> includes a gross reduction to the library of \$69,300, a proposed FY 2003-04 funding amount of \$125,000, fully supported with federal Reed Act funds which are not available after September 30, 2004.	Federal	64,800	60,200
<b>Executive Change: (\$8,500)</b>	GF/GP	\$129,500	(\$129,500)
<b>Senate Change: (\$194,300)</b>			
<b>House Change: (\$77,700)</b>			
<b>6. <i>Grant to the Detroit Public Library</i></b>	<b>Gross</b>	<b>\$2,780,000</b>	<b>(\$1,780,000)</b>
The <b>Executive Recommendation</b> 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 <b>Senate</b> removes all funding for this appropriation line. The <b>House</b> restores 60% of the FY 2002-03 YTD level, therefore a \$1,112,000 reduction from current year. The <b>Conference Report</b> includes a gross reduction to the library of \$1,780,000, a proposed FY 2003-04 funding amount of \$1,000,000, fully supported with federal Reed Act funds which are not available after September 30, 2004.	Federal	935,200	64,800
<b>Executive Change: (\$97,100)</b>	GF/GP	\$1,844,800	(\$1,844,800)
<b>Senate Change: (\$2,780,000)</b>			
<b>House Change: (\$1,112,000)</b>			
<b>7. <i>Special Collections Transition Funding</i></b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
The <b>Senate</b> 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 <b>House</b> and <b>Conference Report</b> delete this appropriation line.	GF/GP	\$0	\$0
<b>Executive Change: n/a</b>			
<b>Senate Change: \$150,000</b>			
<b>House Change: \$0</b>			

<b><u>Major Budget Changes from FY 2002-03 YTD Appropriations:</u></b>		<b><u>YTD FY 2002-03</u></b>	<b><u>Conference Change</u></b>
<b>8. \$100 GF/GP Differences</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$1,500)</b>
The <b>House</b> created a (\$100) GF/GP point of difference from the Senate in lines supported with general funds.	<b>GF/GP</b>	<b>\$0</b>	<b>(\$1,500)</b>
<b>Executive Change: n/a</b>			
<b>Senate Change: n/a</b>			
<b>House Change: (\$1,500)</b>			

<b>9. Local Historical Societies</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100,000</b>
The <b>Conference Report</b> includes an additional \$100,000 for the Historical Administration and Services appropriation line. The funding is accompanied by the new boilerplate section 508 which provides guidance on a competitive grant program for all state and local historical societies.	<b>GF/GP</b>	<b>\$0</b>	<b>\$100,000</b>
<b>Executive Change: n/a</b>			
<b>Senate Change: n/a</b>			
<b>House Change: n/a</b>			

#### **Major Boilerplate Changes from FY 2002-03:**

##### ***Contingency Funds – DELETED***

The **Senate** strikes contingency fund language, Sec. 206 of current year language. The **House** and **Conference Report** concur 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** and **Conference Report** concur 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** and **Conference Report** concur 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** and **Conference Report** concur 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** and **Conference Report** delete this language.

### **Major Boilerplate Changes from FY 2002-03:**

#### ***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. The **Conference Report** concurs with the House.

#### ***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** and **Conference Report** concur with the Senate.

#### ***Sec. 508. Local Historical Societies – NEW***

The **Conference Report** includes language that provides guidance on the use of \$100,000 within the Historical Administration and Services appropriation line to be used for a competitive grant program for all state and local historical societies.

#### ***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** and **Conference Report** concur 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. The **Conference Report** concurs with the House, but includes subsection 2 which states that the Detroit Public Library and the Grand Rapids Public Library shall not receive federal Reed Act funding after September 30, 2004.

#### ***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. The **Conference Report** concurs with the House.

### **Major Boilerplate Changes from FY 2002-03:**

#### ***Detroit Public Library Report – NEW/DELETED***

The **Senate** includes section 607 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. The **Conference Report** strikes the entire section.

#### ***Detroit Public Library Special Collections Hours – NEW/DELETED***

The **Senate** adds section 608 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** and **Conference Report** strike this language.

#### ***Sec. 607. Book Distribution Centers – NEW***

The **Conference Report** includes language authorizing book distribution center funding in part 1 to the Public Enrichment Foundation and to the Michigan Friends of Education, \$158,700 and \$148,800 respectively.