



**House
Legislative
Analysis
Section**

Manufacturer's Bank Building, 12th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

STATE MUSEUM SERVICES AGENCY

House Bill 5417 with committee amendments
First Analysis (2-7-89)

Sponsor: Rep. Jerry C. Bartnik
Committee: Tourism, Fisheries, & Wildlife

THE APPARENT PROBLEM:

There are approximately 200 public historical facilities in the state, including museums and historic houses. Although many of these facilities operate as well as can be expected with the funds and technical assistance they have available, there is room for improvement in many operations. The majority of these facilities are operated on a volunteer basis and need technical assistance on how to plan and develop exhibits, care for present collections, and plan and carry out special events. Since these facilities are significant tourist attractions, the state should make an investment in the facilities and provide them with needed technical and financial support.

THE CONTENT OF THE BILL:

The bill would create the Michigan Historical Facilities Assistance Act to establish the Historical Facilities Assistance Division in the Bureau of History of the Department of State. The provisions of the act are detailed below.

Functions of the Division. The Historical Facilities Assistance Division would provide information on exhibit planning and preparation, the preservation of historical objects, and history-oriented special events to historical facilities. The bill would define historical facilities as publicly and privately operated historical museums or facilities listed on the state register of historic sites that are located in municipalities with less than 500,000 people. The division would be required to collect information on Michigan's historic resources, exhibits, and facilities, and on the state's historical education programs and history-oriented special events. The division would disseminate the information to the general public and to representatives of the news media and tourist industry. Promoting cooperative programs among historical facilities through formal and informal means would also be included in the division's functions. The bill would require the division to administer a grant-in-aid program in cooperation with a review board to provide financial assistance to selected historical facilities. The division would establish the procedures for reviewing and assessing the effectiveness of grants, contracts, and cooperative agreements entered into under the bill. All functions of the division would be performed under the supervision of the Department of State.

Review Board. The bill would establish a Historical Facilities Financial Assistance Review Board within the Department of State. The board would advise the secretary of state and the legislature regarding the need for programs and grants to assist historical facilities, and the board would award grants to individual historical facilities according to the criteria and procedures prescribed in the bill and subject to the availability of funds.

The board would consist of the state historic preservation officer, who would serve as chairperson of the board, and the secretary of state or his or her designee. There would also be five other persons on the board from different

geographic regions in the state appointed by the secretary of state. The five members would include:

- a person possessing broad knowledge, expertise, or experience in administering a publicly operated museum;
- a person representing privately operated museums;
- an owner or operator of a facility listed on the state register of historic sites;
- an educator; and
- a representative of the general public.

The board would elect a vice-chairperson from among its members. Two of the original members of the review board appointed by the secretary of state's office would serve on the board for one year, two would serve on the board for two years, and one would serve on the board for three years. Vacancies on the board would be filled for the remainder of an unexpired term in the same manner as the original appointment. After the original members' terms expired, the terms of office on the board would be three years. Members appointed to the board could not receive compensation for their services but would be reimbursed for expenses necessarily incurred in the performance of their duties.

Four members of the board would constitute a quorum. Action could be taken by the board upon a majority vote of members present. The board would meet at least three times annually at the call of the chairperson. A meeting of the board could be held anywhere in the state. Business of the board would be conducted at a public meeting held in compliance with the Open Meetings Act. Writings prepared, owned, used, in the possession of, or retained by the board in performance of an official function would be made available to the public in compliance with the Freedom of Information Act.

Grants. The bill would provide grants to assist historical facilities. Grants could be made for general operating support, collections care and conservation, or special projects and events. Grants would be made on a matching basis and could not be provided for more than 50 percent of the cost of a program, project, or event for which the grant was awarded. Grants could not be made for periods of more than two years.

Grant Application Procedure. Owners or operators of historical facilities desiring to receive a grant under the bill would file an application with the Department of State. The application would include information related to the criteria for evaluation established in the bill, and other information that the department or the board might require. The department would verify the information in each application to the extent that verification was feasible and practicable, and forward all applications to the board for evaluation. Upon receipt of an application, the board would evaluate the application and approve or reject the application. Criteria used for evaluation would include:

H.B. 5417 (2-7-90)

OVER

- the statewide educational significance and the qualitative level of the program or project;
- the presence or absence of similar or complementary programs or projects in the region of the state in which the historical facility was located;
- whether the program or project was essential to the development of the state program of historical interpretation;
- the likely impact of the program or project on regional tourism;
- the estimated total cost of the program or project under consideration and the proposed apportionment of the cost between the applicant and the state;
- whether practical plans had been developed for the continued staffing, maintenance, and operation of the historical facility; and
- any other factor which the review board considered important.

If the board rejected an application, it would return the application to the applicant with the resolution of the rejection including a statement of the reason for the rejection. A rejected applicant could reapply.

Duties of Grant Recipients. Grant recipients would maintain books and records concerning the grant as prescribed by the department. Records would disclose the disposition of the grants by the beneficiaries of financial assistance, the total cost of the project, program or event in connection with which the assistance was given or used and the amount and nature of the portion of the cost of the program, project, or event supplied by other sources. Any additional information that would facilitate an effective audit for three years following the award of the grant would also be maintained by grant recipients. Grant recipient would also afford the secretary of state access to their books and records concerning the grant for the purpose of conducting an audit or records review at any reasonable time during the grant period and up to three years thereafter.

Other Provisions. The department could accept gifts and devise of money and other things of value in the name of the state. A gift or devise accepted under the bill would be credited to a special account and, upon appropriation, be eligible for disbursement to further the purposes of the bill.

The department would promulgate rules according to the Administrative Procedures Act to carry out the purposes of the bill.

FISCAL IMPLICATIONS:

According to the Department of State, there would be an initial cost of at least \$150,000 to hire staff to implement the program. However, total costs of the program cannot be determined at this time because the number of grants to be funded has not been determined and a funding source for the grants has not been determined. (2-5-90)

ARGUMENTS:

For:

Currently, there are several historic facilities in the state which operate on shoestring budgets and do not have the technical expertise to effectively manage their resources. The bill will help facilities become more effective by giving them the technical and financial assistance that they need. The bill will also have a tremendous positive effect upon the tourism industry by encouraging effective management

of facilities. It has been projected that the number of tourists that visit historic facilities will increase dramatically as facilities become more effective at managing their resources, and the growth in tourism expenditures will likely exceed the cost of the legislation many times over. Further, other states and the federal government have had great success using programs similar to the one proposed in the bill to provide assistance to historic facilities. Michigan already offers a comparable program of assistance to art museums through the State Council for the Arts, which provides for contracts with art institutions to further the cultural objectives of the council's programs and allows the council to receive and disburse funds made available by the National Endowment for the Arts Act.

Against:

The bill requires grants to be made to applicants who meet all of the criteria, but does not provide for a source of funding for the grants. Although it is assumed that grants would be funded through the general fund, the bill does not verify that assumption. The bill also requires board members to be paid for their expenses but does not stipulate how money for their expenses would be funded. Although the bill does allow the department to accept gifts and devise in the name of the state for furtherance of the purposes of the bill, it is not probable that enough money will be collected to fund the grant program.

POSITIONS:

The Department of State supports the bill. (2-5-90)

The Grand Rapids Public Museum supports the bill. (2-5-90)

The Michigan Historical Commission supports the bill. (2-2-90)

The Michigan Historical Society supports the bill. (2-5-90)

The Michigan Museums Association supports the bill. (2-6-90)

The Monroe County Historical Commission supports the bill. (2-2-90)