

to the Department for a State grant to be applied toward the cost of that project. The application shall be directed to the Secretary of Health and Mental Hygiene. On approval of a project and the project plans by the Department, the Secretary shall promptly report the application to the Board of Public Works, together with the Secretary's recommendation that the Board make funds available as provided in this Act.

(6) Before the Department approves any project, the Secretary of Health and Mental Hygiene shall have adopted regulations to carry out this Act ~~or this Act and~~ and previous or subsequent Acts for the same purposes.

(7) The allocation and use of State funds under this Act are subject to the following terms and conditions:

(a) State funds may be used to acquire an existing building or part of a building for use as an Adult Day Care Center, or to plan, design, and construct an Adult Day Care Center, only if the local government and the Department of Health and Mental Hygiene certify to the Board of Public Works that no surplus school building or other public building appropriate for use as an Adult Day Care Center exists in the area where it is desired to locate a center.

(b) Any federal or other grant that is received for an eligible project shall be applied first to the cost of the project.

(c) Except as provided in subsection (7)(d) and (e) below, a State grant may not exceed \$400,000 or 50 percent of the cost of eligible work remaining unpaid after federal and other grants have been applied, whichever is less.

~~(e)~~ (d) At the discretion of the Board of Public Works, a State grant may exceed 50 percent of the cost of eligible work remaining unpaid after all federal and other grants have been applied up to \$400,000, if:

(i) The project involves the conversion of a public building or part of a building to an Adult Day Care Center, the renovation of an Adult Day Care Center, or the planning, design, and construction of an Adult Day Care Center;

(ii) The value of real property and improvements made available by the local government, or the value of the center to be renovated, equals or exceeds the amount of the State grant;

(iii) No State funds have been used for the acquisition, construction, or maintenance of any real property and improvements made available by the local government or any building to be converted or renovated; and