

**Calendar No. 181**

104TH CONGRESS  
1ST SESSION

**S. 856**

**[Report No. 104-135]**

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**A BILL**

To amend the National Foundation on the Arts and the Humanities Act of 1965, the Museum Services Act, and the Acts and Artifacts Indemnity Act to improve and extend the Acts, and for other purposes.

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AUGUST 30, 1995

Reported with an amendment and an amendment to the  
title

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1<sup>ST</sup> SESSION**S. 856****[Report No. 104-135]**

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**IN THE SENATE OF THE UNITED STATES**

MAY 25 (legislative day, MAY 15), 1995

Mr. JEFFORDS (for himself, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. PELL, Mr. SIMPSON, and Mr. DODD) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

AUGUST 30, 1995

Reported under authority of the order of the Senate of August 11 (legislative day, July 10), 1995, by Mrs. KASSEBAUM, with an amendment and an amendment to the title

[Strike out all after the enacting clause and insert the part printed in italic]

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**A BILL**

To amend the National Foundation on the Arts and the Humanities Act of 1965, the Museum Services Act, and the Acts and Artifacts Indemnity Act to improve and extend the Acts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Arts, Humanities, and  
3 Museums Amendments of 1995”.

4 **TITLE I—NATIONAL FOUNDA-**  
5 **TION ON THE ARTS AND THE**  
6 **HUMANITIES ACT OF 1965**

7 **SEC. 101. NATIONAL FOUNDATION ON THE ARTS AND THE**  
8 **HUMANITIES.**

9 The National Foundation on the Arts and the Hu-  
10 manities Act of 1965 (20 U.S.C. 951 et seq.) is amended  
11 to read as follows:

12 **“SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

13 “(a) **SHORT TITLE.**—This Act may be cited as the  
14 ‘National Foundation on the Arts and the Humanities Act  
15 of 1965’.

16 “(b) **TABLE OF CONTENTS.**—The table of contents  
17 is as follows:

“Sec. 1. Short title; table of contents.

“Sec. 2. Purposes.

“Sec. 3. Definitions.

“**TITLE I—NATIONAL FOUNDATION ON THE ARTS AND THE**  
**HUMANITIES**

“Sec. 101. Establishment of the National Foundation on the Arts and the  
Humanities.

“Sec. 102. General limitations on grants.

“Sec. 103. Joint administration.

“Sec. 104. Authorization of appropriations.

“**TITLE II—NATIONAL ENDOWMENT FOR THE ARTS**

“Sec. 201. Definitions.

“Sec. 202. Establishment of the National Endowment for the Arts.

“Sec. 203. Application procedures.

“Sec. 204. Advisory panels.

“Sec. 205. National Council on the Arts.  
 “Sec. 206. Limitations on grants.  
 “Sec. 207. Administrative provisions.  
 “Sec. 208. Reports.  
 “Sec. 209. Sanctions and payments.  
 “Sec. 210. Awards.

“TITLE III—NATIONAL ENDOWMENT FOR THE HUMANITIES

“Sec. 301. Definitions.  
 “Sec. 302. Establishment of the National Endowment for the Humanities.  
 “Sec. 303. Application procedures.  
 “Sec. 304. Review panels.  
 “Sec. 305. National Council on the Humanities.  
 “Sec. 306. Limitations on grants.  
 “Sec. 307. Administrative provisions.  
 “Sec. 308. Reports.  
 “Sec. 309. Sanctions and payments.  
 “Sec. 310. Awards.

1 **“SEC. 2. PURPOSES.**

2 “The purposes of this Act are—

3 “(1)(A) to ensure that the arts and the human-  
 4 ities belong to all the people of the United States;  
 5 and

6 “(B) to support the arts and the humanities  
 7 that are essential to social, cultural, and economic  
 8 progress;

9 “(2) to encourage and support national  
 10 progress and scholarship in the arts and the human-  
 11 ities, because such encouragement and support,  
 12 while primarily matters for private and local initia-  
 13 tive, are also appropriate matters of concern for the  
 14 Federal Government;

15 “(3) to ensure that the United States, as an ad-  
 16 vanced civilization, does not limit its efforts to  
 17 science and technology alone but gives full value and

1 support to the other great branches of scholarly and  
2 cultural activity in order to achieve a better under-  
3 standing of the past, a better analysis of the  
4 present, and a better view of the future;

5 “(4) to further the advancement of the arts and  
6 the humanities and the access of all citizens of the  
7 United States to the arts and the humanities, in  
8 partnership with local, State, regional, and private  
9 agencies, organizations, and individuals;

10 “(5) in furthering the advancement and access  
11 described in paragraph (4), to be sensitive to the na-  
12 ture of public support and the need to use public  
13 funding in a manner that recognizes the responsibil-  
14 ity of the Federal Government to the public good;

15 “(6) to ensure that public funds provided by the  
16 Federal Government ultimately serve the public pur-  
17 poses the Congress defines and are subject to the  
18 conditions that traditionally govern the use of public  
19 money;

20 “(7) to ensure that—

21 “(A) Federal support of the arts and the  
22 humanities reflects the high place accorded by  
23 the people of the United States to the Nation’s  
24 rich cultural heritage; and

1           ~~“(B) public funding of the arts and the hu-~~  
2           ~~manities contributes to public support for and~~  
3           ~~confidence in the use of taxpayer funds;~~

4           ~~“(8)(A) to support the practice of art and the~~  
5           ~~study of the humanities, which require constant~~  
6           ~~dedication and devotion; and~~

7           ~~“(B) while recognizing that no government can~~  
8           ~~create a great artist or scholar, to help create and~~  
9           ~~sustain not only a climate encouraging freedom of~~  
10          ~~thought, imagination, and inquiry, but also the ma-~~  
11          ~~terial conditions facilitating the release of creative~~  
12          ~~talent;~~

13          ~~“(9)(A) to ensure that United States students~~  
14          ~~receive in school, background and preparation in the~~  
15          ~~arts and the humanities to enable the students to~~  
16          ~~recognize and appreciate the aesthetic dimensions of~~  
17          ~~their lives, the cultural heritage of the United~~  
18          ~~States, and the full potential of artistic and scholarly~~  
19          ~~expression; and~~

20          ~~“(B) to increase access to the arts and the hu-~~  
21          ~~manities for all persons in the United States, includ-~~  
22          ~~ing diverse cultures and urban and rural popu-~~  
23          ~~lations, by—~~

24                  ~~“(i) encouraging and developing quality~~  
25                  ~~education in the arts and the humanities at all~~

1 levels, in conjunction with programs of lifelong  
2 learning in the arts and the humanities for all  
3 age groups and with formal systems of elemen-  
4 tary, secondary, and postsecondary education;  
5 and

6 “(ii) encouraging and facilitating the work  
7 of scholars, artists, arts institutions, and Fed-  
8 eral, State, regional, and local agencies in the  
9 area of education in the arts and the human-  
10 ities.

11 **“SEC. 3. DEFINITIONS.**

12 “As used in this Act:

13 “(1) ARTS.—The term ‘arts’ includes—

14 “(A) dance, design, literature, media,  
15 music, opera, theater, and visual arts;

16 “(B) folk and traditional arts practiced by  
17 the diverse peoples of the United States; and

18 “(C) the presentation, performance, execu-  
19 tion, exhibition, and study of the arts described  
20 in subparagraph (A) or (B), including study of  
21 the arts through apprenticeships, internships,  
22 and other career oriented work-study experi-  
23 ences for artists and art teachers, and  
24 residencies for artists at all educational levels.

1           “(2) GRANT.—The term ‘grant’ includes a loan,  
2 a contract, and a cooperative agreement.

3           “(3) GROUP.—The term ‘group’ includes any  
4 State or other public agency, and any nonprofit or-  
5 ganization in the United States, whether or not in-  
6 corporated.

7           “(4) HUMANITIES.—The term ‘humanities’ in-  
8 cludes—

9           “(A) the study and interpretation of—

10           “(i) language, both modern and classi-  
11 cal, linguistics, literature, history, jurisperu-  
12 dence, philosophy, archaeology, compara-  
13 tive religion, and ethics;

14           “(ii) the history, criticism, and theory  
15 of the arts;

16           “(iii) folklore and folklife; and

17           “(iv) the aspects of the social sciences  
18 that have humanistic content and employ  
19 humanistic methods; and

20           “(B) the study and application of the hu-  
21 manities described in subparagraph (A) to the  
22 human environment with particular attention  
23 to—

24           “(i) reflecting the heritage, traditions,  
25 and history of the United States; and

1           “(ii) the relevance of the humanities  
2           described in subparagraph (A) to the con-  
3           ditions of national life.

4           ~~“(5) PROGRAM INCOME.—~~

5           ~~“(A) IN GENERAL.—~~The term ‘program  
6           income’ means any money that is earned or re-  
7           ceived, by a recipient of a grant made under  
8           title II or III, from an activity supported by the  
9           funds made available through the grant or from  
10          a product resulting from or related to an activ-  
11          ity carried out under the grant.

12          ~~“(B) TYPES OF INCOME.—~~The term in-  
13          cludes—

14                 ~~“(i) income from a fee for service per-~~  
15                 ~~formed, or from the sale of an item cre-~~  
16                 ~~ated, under the grant;~~

17                 ~~“(ii) income from a licensing fee on a~~  
18                 ~~product related to an activity carried out~~  
19                 ~~under the grant;~~

20                 ~~“(iii) a usage or rental fee for equip-~~  
21                 ~~ment or property acquired under the grant;~~

22                 ~~“(iv) an admission fee for an activity~~  
23                 ~~carried out under the grant;~~

24                 ~~“(v) income from a broadcast or dis-~~  
25                 ~~tribution right for such an activity; and~~

1                   “(vi) a royalty on a patent or copy-  
2                   right for such an activity.

3                   “(6) REGIONAL GROUP.—The term ‘regional  
4                   group’ means any multistate group, whether or not  
5                   representative of contiguous States.

6                   “(7) STATE.—The term ‘State’ includes, in ad-  
7                   dition to the several States of the United States, the  
8                   Commonwealth of Puerto Rico, the District of Co-  
9                   lumbia, Guam, American Samoa, the Commonwealth  
10                  of the Northern Mariana Islands, and the Virgin Is-  
11                  lands.

12                  **“TITLE I—NATIONAL FOUNDA-**  
13                  **TION ON THE ARTS AND THE**  
14                  **HUMANITIES**

15                  **“SEC. 101. ESTABLISHMENT OF THE NATIONAL FOUNDA-**  
16                  **TION ON THE ARTS AND THE HUMANITIES.**

17                  “(a) ESTABLISHMENT.—There is established a Na-  
18                  tional Foundation on the Arts and the Humanities (re-  
19                  ferred to in this Act as the ‘Foundation’), which shall be  
20                  composed of a National Endowment for the Arts, a Na-  
21                  tional Endowment for the Humanities (each of which may  
22                  be referred to in this section as an ‘Endowment’), and an  
23                  Institute of Museum and Library Services.

1       “(b) PURPOSE.—The purpose of the Foundation  
2 shall be to develop and promote a national policy of sup-  
3 port for the arts and the humanities in the United States.

4       “(c) LIMITATION.—In the administration of this Act  
5 no department, agency, officer, or employee of the United  
6 States shall exercise any direction, supervision, or control  
7 over the policy determination, personnel, or curriculum, or  
8 the administration or operation of any school or other non-  
9 Federal agency, institution, organization, or association.

10       “(d) DONATIONS, BEQUESTS, AND DEVICES.—

11               “(1) IN GENERAL.—In any case in which any  
12 money or other property is donated, bequeathed, or  
13 devised to the Foundation without designation of the  
14 Endowment for the benefit of which the money or  
15 property is intended, each Chairperson of an Endow-  
16 ment shall have authority to receive such money or  
17 property.

18               “(2) UNRESTRICTED DONATIONS, BEQUESTS,  
19 AND DEVICES.—Except as provided in paragraph  
20 (3), unless the Chairpersons of the Endowments  
21 agree otherwise, the money or property shall be  
22 deemed to have been donated, bequeathed, or de-  
23 vised in equal shares to each Endowment.

24               “(3) RESTRICTED DONATIONS, BEQUESTS, AND  
25 DEVICES.—In any case in which any money or prop-

1 erty is donated, bequeathed, or devised to the Foun-  
2 dation with a condition or restriction, such money or  
3 property shall be deemed to have been donated, be-  
4 queathed, or devised to the Endowment whose func-  
5 tion it is to carry out the purposes of the condition  
6 or restriction.

7 “(e) TAX LAWS.—For the purposes of the income  
8 tax, gift tax, and estate tax laws of the United States,  
9 any money or other property donated, bequeathed, or de-  
10 vised to the Foundation or one of the Endowments and  
11 received by the Chairperson of an Endowment pursuant  
12 to this section, section 207, or section 307 shall be deemed  
13 to have been donated, bequeathed, or devised to or for the  
14 use of the United States.

15 **“SEC. 102. GENERAL LIMITATIONS ON GRANTS.**

16 “None of the grants awarded under this Act shall be  
17 used for the purposes of lobbying or for providing general  
18 membership services for groups.

19 **“SEC. 103. JOINT ADMINISTRATION.**

20 “(a) INSPECTOR GENERAL.—There shall be in the  
21 Foundation a single Office of the Inspector General for  
22 the National Endowment for the Arts and the National  
23 Endowment for the Humanities. The Office shall be head-  
24 ed by 1 Inspector General appointed in accordance with  
25 the Inspector General Act of 1978 (5 U.S.C. App.). The

1 Inspector General shall carry out the duties prescribed in  
2 such Act, including conducting appropriate reviews to en-  
3 sure that recipients of grants under titles II and III com-  
4 ply with the applicable regulations and procedures estab-  
5 lished under this Act, including regulations relating to ac-  
6 counting and financial matters.

7 “(b) REPORTING.—The Inspector General for the  
8 National Endowment for the Arts and the National En-  
9 dowment for the Humanities shall report—

10 “(1) to the Chairperson of the National Endow-  
11 ment for the Arts with respect to matters relating  
12 to the National Endowment for the Arts; and

13 “(2) to the Chairperson of the National Endow-  
14 ment for the Humanities with respect to matters re-  
15 lating to the Chairperson of the National Endow-  
16 ment for the Humanities.

17 “(c) OTHER FUNCTIONS.—The Chairperson of the  
18 National Endowment for the Arts and Chairperson of the  
19 National Endowment for the Humanities shall ensure non-  
20 duplication of administrative functions, such as provision  
21 of facilities and space, records management, contracting,  
22 procurement, printing, and provision of mail and library  
23 services. The Chairpersons shall enter into an interagency  
24 agreement to jointly carry out the functions with the mini-  
25 mum necessary expense.

1       “(d) REPORT.—Not later than 60 days after the date  
 2 of enactment of the Arts, Humanities, and Museums  
 3 Amendments of 1995, the Chairperson of the National  
 4 Endowment for the Arts and the Chairperson of the Na-  
 5 tional Endowment for the Humanities shall jointly prepare  
 6 and submit to the appropriate committees of Congress a  
 7 report containing a plan that describes the manner in  
 8 which the Chairpersons will jointly carry out the functions  
 9 described in subsection (c). Not later than 180 days after  
 10 such date of enactment, the Chairpersons shall implement  
 11 the plan.

12 **“SEC. 104. AUTHORIZATION OF APPROPRIATIONS.**

13       “(a) NATIONAL ENDOWMENT FOR THE ARTS.—

14               “(1) IN GENERAL.—

15                       “(A) GRANT PROGRAMS.—For the purpose  
 16 of making grants under subsections (c), (d),  
 17 and (e) of section 202, there are authorized to  
 18 be appropriated to the National Endowment for  
 19 the Arts \$139,710,000 for fiscal year 1996,  
 20 \$136,910,000 for fiscal year 1997,  
 21 \$134,270,000 for fiscal year 1998,  
 22 \$131,500,000 for fiscal year 1999, and  
 23 \$128,870,000 for fiscal year 2000.

24                       “(B) RESERVATION FOR PARTNERSHIP  
 25 GRANTS.—40 percent of the amount appro-

1            appropriated for a fiscal year under subparagraph  
2            (A) shall be reserved for making grants under  
3            section 202(c).

4            “(C) RESERVATION FOR NATIONAL SIG-  
5            NIFICANCE GRANTS.—40 percent of the amount  
6            appropriated for a fiscal year under subpara-  
7            graph (A) shall be reserved for making grants  
8            under section 202(d).

9            “(D) RESERVATION FOR DIRECT  
10           GRANTS.—20 percent of the amount appro-  
11           priated for a fiscal year under subparagraph  
12           (A) shall be reserved for making grants under  
13           section 202(e).

14           “(2) APPROPRIATIONS BASED ON DONA-  
15           TIONS.—There are authorized to be appropriated to  
16           the National Endowment for the Arts for each of fis-  
17           cal years 1996 through 2000, an additional amount,  
18           equal to the sum of—

19           “(A) the total amounts received by the Na-  
20           tional Endowment for the Arts under section  
21           207(a)(2), including the value of property do-  
22           nated, bequeathed, or devised to the National  
23           Endowment for the Arts, and any interest  
24           earned on the amounts, for use in carrying out  
25           projects and other activities under title II; and

1           “(B) the total amounts received by the  
2           grant recipients under title II from non-Federal  
3           sources, including the value of property do-  
4           nated, bequeathed, or devised to such recipi-  
5           ents, for use in making grants to carry out  
6           projects and other activities under title II;

7           except that the amounts so appropriated to the Na-  
8           tional Endowment for the Arts shall not exceed  
9           \$10,000,000 for fiscal year 1996 and such sums as  
10          may be necessary for each of fiscal years 1997  
11          through 2000.

12          “(3) GUIDELINES.—The Chairperson shall  
13          issue guidelines to implement the provisions of para-  
14          graph (2). Such guidelines shall be consistent with  
15          the requirements of title II, regarding the Federal  
16          share of the cost of activities carried out under title  
17          II.

18          “(4) SUMS REMAINING AVAILABLE.—Sums ap-  
19          propriated pursuant to paragraph (1) or (2) for any  
20          fiscal year shall remain available for obligation until  
21          expended.

22          “(5) TOTAL AUTHORIZATION.—There are au-  
23          thorized to be appropriated to carry out the activi-  
24          ties of the National Endowment for the Arts under  
25          this Act, including amounts described in paragraph

1       (1) or (2), or in subsection (c)(1), \$158,760,000 for  
 2       fiscal year 1996, \$155,580,000 for fiscal year 1997,  
 3       \$152,470,000 for fiscal year 1998, \$149,430,000 for  
 4       fiscal year 1999, and \$146,440,000 for fiscal year  
 5       2000.

6       “(b) NATIONAL ENDOWMENT FOR THE HUMAN-  
 7       ITIES.—

8               “(1) IN GENERAL.—

9                       “(A) GRANT PROGRAMS.—For the purpose  
 10                      of making grants under subsections (c), (d),  
 11                      and (e) of section 302, there are authorized to  
 12                      be appropriated to the National Endowment for  
 13                      the Humanities, \$148,330,000 for fiscal year  
 14                      1996, \$145,370,000 for fiscal year 1997,  
 15                      \$142,470,000 for fiscal year 1998,  
 16                      \$139,620,000 for fiscal year 1999, and  
 17                      \$136,820,000 for fiscal year 2000.

18                     “(B) RESERVATION FOR PARTNERSHIP  
 19                     GRANTS.—25 percent of the amount appro-  
 20                     priated for a fiscal year under subparagraph  
 21                     (A) shall be reserved for making grants under  
 22                     section 302(c).

23                     “(C) RESERVATION FOR NATIONAL  
 24                     GRANTS.—37.5 percent of the amount appro-  
 25                     priated for a fiscal year under subparagraph

1           (A) shall be reserved for making grants under  
2           section 302(d).

3           ~~“(D) RESERVATION FOR RESEARCH AND~~  
4           ~~SCHOLARSHIP GRANTS.—37.5 percent of the~~  
5           ~~amount appropriated for a fiscal year under~~  
6           ~~subparagraph (A) shall be reserved for making~~  
7           ~~grants under section 302(e).~~

8           ~~“(2) APPROPRIATIONS BASED ON DONA-~~  
9           ~~TIONS.—There are authorized to be appropriated to~~  
10          ~~the National Endowment for the Humanities for~~  
11          ~~each of fiscal years 1996 through 2000, an addi-~~  
12          ~~tional amount equal to the sum of—~~

13           ~~“(A) the total amounts received by the Na-~~  
14           ~~tional Endowment for the Humanities under~~  
15           ~~section 307(a)(2), including the value of prop-~~  
16           ~~erty donated, bequeathed, or devised to the Na-~~  
17           ~~tional Endowment for the Humanities, and any~~  
18           ~~interest earned on the amounts, for use in ear-~~  
19           ~~rying out activities under title III; and~~

20           ~~“(B) the total amounts received by the~~  
21           ~~grant recipients under title III from non-Fed-~~  
22           ~~eral sources, including the value of property do-~~  
23           ~~nated, bequeathed, or devised to such recipi-~~  
24           ~~ents, for use in carrying out activities under~~  
25           ~~title III;~~

1       except that the amounts so appropriated to the Na-  
2       tional Endowment for the Humanities shall not ex-  
3       ceed \$10,000,000 for fiscal year 1996 and such  
4       sums as may be necessary for each of fiscal years  
5       1997 through 2000.

6           “(3) GUIDELINES.—The Chairperson shall  
7       issue guidelines to implement the provisions of para-  
8       graph (2). Such guidelines shall be consistent with  
9       the requirements of title III, regarding the Federal  
10      share of the cost of activities carried out under title  
11      III.

12          “(4) SUMS REMAINING AVAILABLE.—Sums ap-  
13      propriated pursuant to paragraph (1) or (2) for any  
14      fiscal year shall remain available for obligation until  
15      expended.

16          “(5) TOTAL AUTHORIZATION.—There are au-  
17      thorized to be appropriated to carry out the activi-  
18      ties of the National Endowment for the Humanities  
19      under this Act, including amounts described in para-  
20      graph (1) or (2), or in subsection (c)(2),  
21      \$168,560,000 for fiscal year 1996, \$165,190,000 for  
22      fiscal year 1997, \$161,890,000 for fiscal year 1998,  
23      \$158,660,000 for fiscal year 1999, and  
24      \$155,490,000 for fiscal year 2000.

25          “(c) ADMINISTRATION.—

1           ~~“(1) NATIONAL ENDOWMENT FOR THE ARTS.—~~  
2           Not more than 12 percent of the amount appro-  
3           priated for a fiscal year under subsection ~~(a)(5)~~ may  
4           be made available for the costs of administering title  
5           II, or any other program for which the Chairperson  
6           of the National Endowment for the Arts is respon-  
7           sible, of which—

8                   ~~“(A) not more than \$100,000 shall be~~  
9                   made available for the President’s Committee  
10                  on the Arts and the Humanities, none of which  
11                  may be used to reimburse members of the Com-  
12                  mittee for travel and related expenses; and

13                   ~~“(B) not to exceed \$100,000 shall be made~~  
14                  available for fiscal year 1996 from amounts re-  
15                  ceived under section 207(a)(2) for official re-  
16                  ception and representation expenses and not to  
17                  exceed \$50,000 shall be made available for each  
18                  subsequent fiscal year from such amounts for  
19                  such expenses.

20           ~~“(2) NATIONAL ENDOWMENT FOR THE HUMAN-~~  
21           ~~ITIES.—~~Not more than 12 percent of the amount  
22           appropriated for a fiscal year under subsection  
23           ~~(b)(5)~~ may be made available for the costs of admin-  
24           istering title III, or any other program for which the

1 Chairperson of the National Endowment for the Hu-  
 2 manities is responsible, of which—

3 “(A) not more than \$100,000 shall be  
 4 made available for the President’s Committee  
 5 on the Arts and the Humanities, none of which  
 6 may be used to reimburse members of the Com-  
 7 mittee for travel and related expenses; and

8 “(B) not to exceed \$100,000 shall be made  
 9 available for fiscal year 1996 from amounts re-  
 10 ceived under section 307(a)(2) for official re-  
 11 ception and representation expenses and not to  
 12 exceed \$50,000 shall be made available for each  
 13 subsequent fiscal year from such amounts for  
 14 such expenses.

15 **“TITLE II—NATIONAL**  
 16 **ENDOWMENT FOR THE ARTS**

17 **“SEC. 201. DEFINITIONS.**

18 “As used in this title:

19 “(1) DEVELOPING ARTS ORGANIZATION.—The  
 20 term ‘developing arts organization’ means a local  
 21 arts organization of high artistic promise that—

22 “(A) serves as an important source of local  
 23 arts programming in a community; and

1           “(B) has the potential to broaden public  
2           access to the arts in rural and inner city areas  
3           and other artistically underserved areas.

4           “(2) FINAL JUDGMENT.—The term ‘final judg-  
5           ment’ means a judgment that is either—

6                   “(A) not reviewed by any other court that  
7                   has authority to review such judgment; or

8                   “(B) is not reviewable by any other court.

9           “(3) LOCAL ARTS AGENCY.—The term ‘local  
10           arts agency’ means a community organization, or an  
11           agency of local government, that primarily provides  
12           financial support, services, or other programs for  
13           artists and arts organizations, for the benefit of the  
14           community as a whole.

15           “(4) OBSCENE; DETERMINED TO BE OB-  
16           SCENE.—

17                   “(A) OBSCENE.—The term ‘obscene’  
18                   means, with respect to a project, production, or  
19                   workshop that—

20                           “(i) the average person, applying con-  
21                           temporary community standards, would  
22                           find that such project, production, or work-  
23                           shop, when taken as a whole, appeals to  
24                           the prurient interest;

1           “(ii) such project, production, or  
2           workshop depicts or describes sexual con-  
3           duct in a patently offensive way; and

4           “(iii) such project, production, or  
5           workshop, when taken as a whole, lacks se-  
6           rious literary, artistic, political or scientific  
7           value.

8           “(B) DETERMINED TO BE OBSCENE.—The  
9           term ‘determined to be obscene’ means deter-  
10          mined, in a final judgment of a court of record  
11          and of competent jurisdiction in the United  
12          States, to be obscene.

13          “(5) PRODUCTION.—The term ‘production’  
14          means any activity involving the execution or ren-  
15          dition of the arts and meeting such standards as  
16          may be approved by the Chairperson of the Endow-  
17          ment.

18          “(6) PROJECT.—

19                 “(A) IN GENERAL.—The term ‘project’  
20                 means a program organized to carry out the ob-  
21                 jectives of this Act, including a program to fos-  
22                 ter United States artistic creativity, to commis-  
23                 sion a work of art, or to develop and enhance  
24                 the widest public access, knowledge, and under-  
25                 standing of the arts, and includes, where appro-

1           priate, rental or purchase of a facility, rental or  
2           purchase of land, and acquisition of equipment.

3           ~~“(B) RENOVATION OR CONSTRUCTION.—~~

4           Such term also includes—

5           ~~“(i) the renovation of a facility if—~~

6           ~~“(I) the amount of the expendi-~~  
7           ~~ture of Federal funds for such pur-~~  
8           ~~pose in the case of any facility does~~  
9           ~~not exceed \$250,000; and~~

10          ~~“(II) two-thirds of the members~~  
11          ~~of the National Council on the Arts~~  
12          ~~(who are present and voting) rec-~~  
13          ~~ommend a grant involving an expendi-~~  
14          ~~ture for such purpose; and~~

15          ~~“(ii) with respect to a grant under~~  
16          ~~section 202(d), the construction of a facil-~~  
17          ~~ity, if—~~

18          ~~“(I) such construction is for~~  
19          ~~demonstration purposes or under un-~~  
20          ~~usual circumstances in which there is~~  
21          ~~no other manner by which to accom-~~  
22          ~~plish an artistic purpose; and~~

23          ~~“(II) two-thirds of the members~~  
24          ~~of the National Council on the Arts~~  
25          ~~(who are present and voting) rec-~~

1                   commend a grant involving an expendi-  
2                   ture for such purpose.

3                   ~~“(7) WORKSHOP.—~~The term ‘workshop’ means  
4                   a program the primary purpose of which is to en-  
5                   courage the artistic development or enjoyment of  
6                   amateur, student, or other participants.

7   **“SEC. 202. ESTABLISHMENT OF THE NATIONAL ENDOW-**  
8                   **MENT FOR THE ARTS.**

9                   ~~“(a) ESTABLISHMENT.—~~There is established within  
10 the Foundation a National Endowment for the Arts (re-  
11 ferred to in this title as the ‘Endowment’).

12                  ~~“(b) CHAIRPERSON.—~~

13                  ~~“(1) APPOINTMENT.—~~The Endowment shall be  
14 headed by a chairperson, to be known as the Chair-  
15 person of the Endowment (referred to in this title as  
16 the ‘Chairperson’), who shall be appointed by the  
17 President, by and with the advice and consent of the  
18 Senate.

19                  ~~“(2) TERM.—~~

20                  ~~“(A) IN GENERAL.—~~The term of office of  
21 the Chairperson shall be 4 years, except that  
22 any Chairperson appointed to fill a vacancy  
23 shall serve for the remainder of the term for  
24 which the predecessor of the Chairperson was  
25 appointed. Notwithstanding any other provision

1 of this subparagraph, on the expiration of the  
2 term of office of the Chairperson, the Chair-  
3 person shall serve until the successor to the  
4 Chairperson is appointed and has qualified.

5 “(B) REAPPOINTMENT.—The Chairperson  
6 shall be eligible for reappointment.

7 “(c) PARTNERSHIP GRANTS.—

8 “(1) PURPOSES.—The purpose of this sub-  
9 section is to make grants to States and local and re-  
10 gional groups to establish local arts activities, with  
11 particular emphasis on arts education and projects  
12 that reach rural and urban underserved commu-  
13 nities.

14 “(2) GRANTS TO STATES.—

15 “(A) AUTHORITY.—Using 70 percent of  
16 the funds reserved under section 104(a)(1)(B)  
17 and such portion of any funds made available  
18 under section 104(a)(2) as may be appropriate,  
19 the Chairperson, acting on the recommendation  
20 of the National Council on the Arts, shall estab-  
21 lish and carry out a program of basic State  
22 grants to assist States—

23 “(i)(I) in supporting projects, produc-  
24 tions, or workshops that meet the standard

1 of artistic excellence and artistic merit and  
2 that fulfill the purposes of this Act; and

3 ~~“(I) in developing projects, produc-~~  
4 ~~tions, or workshops that will furnish pro-~~  
5 ~~grams, facilities, and services in the arts to~~  
6 ~~people and communities in each of the~~  
7 ~~States; and~~

8 ~~“(ii) in carrying out activities that—~~

9 ~~“(I) stimulate artistic activity~~  
10 ~~and awareness, and broadening public~~  
11 ~~access to the arts, in rural, inner-city,~~  
12 ~~and other areas that are underserved~~  
13 ~~artistically;~~

14 ~~“(II) enhance the artistic capa-~~  
15 ~~bilities of developing arts organiza-~~  
16 ~~tions through artistic, programmatic,~~  
17 ~~and staff development; or~~

18 ~~“(III) provide technical assist-~~  
19 ~~ance to developing arts organizations~~  
20 ~~to improve managerial and organiza-~~  
21 ~~tional skills, financial systems man-~~  
22 ~~agement, and long-range fiscal plan-~~  
23 ~~ning.~~

24 ~~“(B) APPLICATION.—In order to receive a~~  
25 ~~grant under this paragraph for any fiscal year,~~

1 a State shall submit an application described in  
2 section 203 for such grant at such time and in  
3 such manner as shall be specified by the Chair-  
4 person and accompany such application with a  
5 State plan that the Chairperson finds—

6 “(i) designates or provides for the es-  
7 tablishment of a State agency (referred to  
8 in this section as the ‘State agency’) as the  
9 sole agency for the administration of the  
10 State plan;

11 “(ii) provides that funds paid to the  
12 State under this paragraph will be ex-  
13 pended solely on projects, productions, or  
14 workshops described in subparagraph (A)  
15 and approved by the State agency;

16 “(iii) provides that the State agency  
17 will make such reports, in such manner  
18 and containing such information, as the  
19 Chairperson may from time to time re-  
20 quire, including a description of the  
21 progress made toward achieving the objec-  
22 tives of the State plan;

23 “(iv) provides—

24 “(I) an assurance that the State  
25 agency has held, after reasonable no-

1           tice, public meetings in the State to  
2           allow groups of artists, interested or-  
3           ganizations, and the public to present  
4           views and make recommendations re-  
5           garding the State plan; and

6                     “(II) a summary of such rec-  
7                     ommendations and the response of the  
8                     State agency to such recommenda-  
9                     tions; and

10                    “(v) contains—

11                             “(I) for the most recent preced-  
12                             ing year for which information is  
13                             available, a description of the level of  
14                             participation by artists, artists’ orga-  
15                             nizations, and arts organizations in  
16                             projects, productions, or workshops  
17                             supported by funding from the State  
18                             agency under this paragraph, and a  
19                             description of the extent to which  
20                             projects, productions, or workshops  
21                             supported by funding from the State  
22                             agency under this paragraph were  
23                             available to all people and commu-  
24                             nities in the State; and

1           “(H) a description of projects,  
2           productions, or workshops supported  
3           by funding from the State agency  
4           under this paragraph that exist or are  
5           being developed to secure wider par-  
6           ticipation of artists, artists’ organiza-  
7           tions, and arts organizations described  
8           in subclause (I) or that address the  
9           availability of the arts to all people or  
10          communities described in subclause  
11          (I).

12          “(C) APPROVAL.—The Chairperson may  
13          not approve an application described in sub-  
14          paragraph (B) unless the accompanying State  
15          plan satisfies the requirements specified in sub-  
16          paragraph (B).

17          “(D) ALLOTMENTS.—

18                 “(i) IN GENERAL.—Of the sums avail-  
19                 able to carry out this paragraph for any  
20                 fiscal year, each State that has an applica-  
21                 tion approved by the Chairperson shall be  
22                 allotted at least \$200,000.

23                 “(ii) INSUFFICIENT FUNDS.—If the  
24                 sums available to carry out this paragraph  
25                 for any fiscal year are insufficient to make

1 the allotments under clause (i) in full, such  
2 sums shall be allotted so that each such  
3 State receives an equal amount.

4 “(iii) ~~EXCESS FUNDS.~~—In any case in  
5 which the sums available to carry out this  
6 paragraph for any fiscal year are in excess  
7 of the amount required to make the allot-  
8 ments under clause (i)—

9 “(I) the amount of such excess  
10 that is not greater than 25 percent of  
11 the sums available to carry out this  
12 paragraph for such fiscal year shall be  
13 available to the Chairperson for mak-  
14 ing grants under this paragraph to  
15 States and, in accordance with sub-  
16 paragraph (H), regional groups; and

17 “(II) the amount of such excess  
18 for such fiscal year, if any, that re-  
19 mains after reserving in full for the  
20 Chairperson the amount required  
21 under subclause (I) shall be allotted  
22 so that each State that has an appli-  
23 cation approved by the Chair receives  
24 an in equal amount;

1 but in no event shall any State be allotted  
2 less than \$200,000 under this paragraph.

3 ~~“(E) FEDERAL SHARE.—~~

4 ~~“(i) IN GENERAL.—Funding provided~~  
5 ~~through a grant made under this para-~~  
6 ~~graph to a State for any fiscal year shall~~  
7 ~~be available to each State that has an ap-~~  
8 ~~plication approved by the Chairperson, and~~  
9 ~~has the State plan accompanying the appli-~~  
10 ~~cation in effect on the first day of such fis-~~  
11 ~~cal year, to pay not more than 50 percent~~  
12 ~~of the total cost of carrying out any activ-~~  
13 ~~ity described in subparagraph (A).~~

14 ~~“(ii) EXCESS PORTION.—Except as~~  
15 ~~provided in clause (iii), the portion of the~~  
16 ~~funding provided through any grant made~~  
17 ~~under subparagraph (D)(i) to a State for~~  
18 ~~any fiscal year that exceeds \$125,000 shall~~  
19 ~~be available, at the discretion of the Chair-~~  
20 ~~person, to pay not more than 100 percent~~  
21 ~~of such cost of carrying out an activity~~  
22 ~~under this paragraph if such activity would~~  
23 ~~be unavailable to the residents of the State~~  
24 ~~without such portion.~~

1           ~~“(iii) PERCENTAGE OF GRANT~~  
2           ~~FUNDS.—The portion of the funding de-~~  
3           ~~scribed in clause (ii) for any fiscal year~~  
4           ~~that is available to pay not more than 100~~  
5           ~~percent of such cost, as described in clause~~  
6           ~~(ii), shall not exceed 20 percent of the total~~  
7           ~~funding provided through such grant for~~  
8           ~~such fiscal year.~~

9           ~~“(F) PROHIBITION ON SUPPLANTING NON-~~  
10          ~~FEDERAL FUNDS.—Funds made available under~~  
11          ~~this paragraph shall be used to supplement, and~~  
12          ~~shall not supplant, non-Federal funds expended~~  
13          ~~for supporting activities described in subpara-~~  
14          ~~graph (A).~~

15          ~~“(G) UNOBLIGATED FUNDS.—Any amount~~  
16          ~~allotted to a State under subparagraph (D)(i)~~  
17          ~~for any fiscal year that is not obligated by the~~  
18          ~~State earlier than 60 days prior to the end of~~  
19          ~~the fiscal year for which the amount is appro-~~  
20          ~~priated shall be available for making grants to~~  
21          ~~regional groups.~~

22          ~~“(H) SPECIAL RULE.—The provisions of~~  
23          ~~this paragraph (other than subparagraph (D))~~  
24          ~~shall apply to regional groups receiving grants~~  
25          ~~under this paragraph in such manner, and to~~

1 such extent, as the Chairperson shall by regula-  
2 tion prescribe.

3 “(I) DEFINITION.—As used in subpara-  
4 graph (D)(iii)(II) and notwithstanding section  
5 3(7), the term ‘State’ includes, in addition to  
6 the several States of the United States, only the  
7 jurisdictions specified in such section that have  
8 a population of 200,000 or more, according to  
9 the latest decennial census.

10 “(3) GRANTS TO PROMOTE ACCESS TO THE  
11 ARTS THROUGH SUPPORT OF EDUCATION, AND EX-  
12 PANSION AND ADVANCEMENT OF THE ARTS.—

13 “(A) IN GENERAL.—Using 30 percent of  
14 the funds reserved under section 104(a)(1)(B)  
15 and such portion of any funds made available  
16 under section 104(a)(2) as may be appropriate,  
17 the Chairperson, acting on the recommendation  
18 of the National Council on the Arts, may estab-  
19 lish and carry out a program of grants to  
20 States, arts agencies, or other local or regional  
21 groups, in order to foster and encourage excep-  
22 tional talent, public knowledge, understanding,  
23 and appreciation of the arts, and to support the  
24 education, training, and development of the art-  
25 ists of the United States, by paying for the

1 Federal share of the cost of carrying out  
2 projects, productions, and workshops that  
3 will—

4 “(i) promote and improve the avail-  
5 ability of arts instruction, and improve the  
6 quality of arts education, through support  
7 of lifelong learning in the arts;

8 “(ii) enhance the quality of arts in-  
9 struction in programs of teacher education;

10 “(iii) develop arts faculty resources  
11 and talents;

12 “(iv) support and encourage the devel-  
13 opment of improved curriculum materials  
14 in the arts;

15 “(v) improve evaluation and assess-  
16 ment of education in the arts programs  
17 and instruction;

18 “(vi) foster cooperative programs with  
19 the Department of Education and other  
20 Federal agencies and encourage partner-  
21 ships among arts and education agencies  
22 and organizations at State and local levels  
23 as well as among arts organizations, busi-  
24 nesses, and educational and cultural insti-  
25 tutions;

1           ~~“(vii) support apprenticeships, intern-~~  
2           ~~ships, and other career oriented work-study~~  
3           ~~experiences for artists and arts teachers,~~  
4           ~~and encourage residencies of artists at all~~  
5           ~~educational levels;~~

6           ~~“(viii) support the use of technology~~  
7           ~~and improved facilities and resources in~~  
8           ~~education in the arts programs at all lev-~~  
9           ~~els;~~

10           ~~“(ix) foster the development of dem-~~  
11           ~~onstration projects, demonstration produc-~~  
12           ~~tions, demonstration workshops, and dem-~~  
13           ~~onstration programs in arts education and~~  
14           ~~collect, and make available to the public,~~  
15           ~~information on their implementation and~~  
16           ~~effectiveness; and~~

17           ~~“(x) promote or advance arts at the~~  
18           ~~local level.~~

19           ~~“(B) APPLICATION.—In order to receive a~~  
20           ~~grant under this paragraph for any fiscal year,~~  
21           ~~a State, agency, or group shall submit an appli-~~  
22           ~~cation described in section 203 for such grant~~  
23           ~~at such time, in such manner, and accompanies~~  
24           ~~by such information, as shall be specified by the~~  
25           ~~Chairperson.~~

1           “(C) FEDERAL SHARE.—Grants made  
2           under this paragraph shall be subject to the re-  
3           quirements of paragraph (2)(E), in the same  
4           manner and to the same extent as grants made  
5           under paragraph (2)(D).

6           “(d) NATIONAL SIGNIFICANCE GRANTS.—

7           “(1) PURPOSE.—The purpose of this subsection  
8           is to make grants to groups, including regional  
9           groups, of demonstrated and substantial artistic and  
10          cultural importance, for projects, productions, and  
11          workshops that will increase the access of all the  
12          people of the United States to the best of the arts  
13          and culture of the United States.

14          “(2) IN GENERAL.—Using funds reserved under  
15          section 104(a)(1)(C) and such portion of any funds  
16          made available under section 104(a)(2) as may be  
17          appropriate, the Chairperson, acting on the rec-  
18          ommendation of the National Council on the Arts,  
19          may establish and carry out a program of grants to  
20          groups who meet the standard of artistic excellence  
21          and artistic merit and who are engaged in or con-  
22          cerned with the arts, for the purpose of paying for  
23          the Federal share of the cost of—

24                  “(A) enabling the groups to provide or  
25                  support projects, productions, or workshops de-

1           scribed in paragraph (3) that will have a na-  
2           tional, regional, or otherwise substantial artistic  
3           or cultural impact; or

4           “~~(B)~~ providing administrative and manage-  
5           ment improvements for the groups, particularly  
6           in the field of long-range financial planning, in-  
7           cluding increasing levels of community support  
8           and the range of contributors to the programs  
9           of such groups.

10          “~~(3)~~ PROJECTS, PRODUCTIONS, AND WORK-  
11          SHOPS.—

12           “~~(A)~~ REQUIRED ELEMENTS.—Each such  
13          project, production, or workshop shall—

14           “~~(i)~~ have substantial national or re-  
15          gional cultural significance, and encourage  
16          professional excellence; or

17           “~~(ii)(I)~~ have significant merit; and

18           “~~(II)~~ be a project, production, or  
19          workshop that, if such a group did not re-  
20          ceive a grant, might otherwise be unavail-  
21          able to citizens for geographic or economic  
22          reasons.

23           “~~(B)~~ PERMISSIBLE ELEMENTS.—Each  
24          such project, production, or workshop may—

1           “(i) encourage access to, education in,  
2           and knowledge, understanding, enjoyment,  
3           and appreciation of, the arts by the public;

4           “(ii) enhance managerial and organi-  
5           zational skills and capabilities;

6           “(iii) use technology to broaden public  
7           access to the arts;

8           “(iv) expand access to the arts for in-  
9           dividuals with disabilities; or

10          “(v) promote access to the arts for  
11          minority or underserved populations.

12          “(4) FEDERAL SHARE REQUIREMENT.—

13           “(A) IN GENERAL.—Except as provided in  
14           subparagraphs (B) and (C), in the case of any  
15           grant made under this subsection, the Federal  
16           share described in paragraph (2) shall be 25  
17           percent.

18           “(B) CERTAIN GROUPS.—In the case of  
19           any grant made under this subsection to a  
20           group with an annual budget in excess of  
21           \$3,000,000, the Federal share described in  
22           paragraph (2) shall be 16.67 percent.

23           “(C) ADJUSTMENTS.—The Chairperson  
24           may increase the Federal share applicable  
25           under this subsection for a designated grant re-

1           recipient, with review by the National Council on  
2           the Arts. The Chairperson shall not increase  
3           the Federal share above 50 percent for the re-  
4           cipient. Not more than 10 percent of the funds  
5           made available by the Endowment for grants  
6           under this subsection for any fiscal year may be  
7           available for grants for the fiscal year for which  
8           the Chairperson increases the applicable Fed-  
9           eral share.

10           ~~“(5) PRIORITY.—~~In awarding grants under this  
11           subsection, the Chairperson shall give priority to  
12           projects, productions, and workshops that increase  
13           the access of the public of the United States to cul-  
14           ture and the arts, including access by touring, by re-  
15           gional or national dissemination, or by geographic  
16           dispersion.

17           ~~“(e) DIRECT GRANTS.—~~

18           ~~“(1) PURPOSE.—~~The purpose of this subsection  
19           is to make grants to groups, and individuals, that  
20           are broadly representative of the cultural heritage of  
21           the United States and broadly geographically rep-  
22           resentative, for projects, productions, and workshops  
23           of the highest artistic excellence and artistic merit.

24           ~~“(2) IN GENERAL.—~~Using funds reserved under  
25           section 104(a)(1)(D) and such portion of any funds

1 made available under section 104(a)(2) as may be  
2 appropriate, the Chairperson, acting on the rec-  
3 ommendation of the National Council on the Arts,  
4 may establish and carry out a program of grants to  
5 groups, or individuals who meet the standard of ar-  
6 tistic excellence and artistic merit and who are en-  
7 gaged in or concerned with the arts, to pay for the  
8 Federal share of the cost of projects, productions, or  
9 workshops that meet the standard of artistic excel-  
10 lence and artistic merit and that fulfill the purposes  
11 of this Act.

12 “(3) FEDERAL SHARE REQUIREMENT.—The  
13 Federal share described in paragraph (2) shall be 50  
14 percent.

15 “(4) PRIORITY.—In awarding grants under this  
16 subsection, the Chairperson shall give priority to  
17 projects, productions, and workshops that will be  
18 disseminated widely after completion.

19 “(5) ADJUSTMENTS.—The Chairperson may in-  
20 crease the Federal share applicable under this sub-  
21 section for a designated grant recipient, with review  
22 by the National Council on the Arts. Not more than  
23 20 percent of the funds made available by the En-  
24 dowment for grants under this subsection for any  
25 fiscal year may be available for grants for the fiscal

1 year for which the Chairperson increases the appli-  
2 cable Federal share.

3 **~~“SEC. 203. APPLICATION PROCEDURES.~~**

4 ~~“(a) APPLICATION REQUIREMENT.—No grant shall~~  
5 ~~be made under this title to any person unless the person~~  
6 ~~submits an application to the Chairperson in accordance~~  
7 ~~with regulations and procedures established by the Chair-~~  
8 ~~person.~~

9 ~~“(b) PROCEDURES.—~~

10 ~~“(1) IN GENERAL.—~~

11 ~~“(A) CONSIDERATIONS.—In establishing~~  
12 ~~such regulations and procedures for applica-~~  
13 ~~tions, the Chairperson shall ensure that—~~

14 ~~“(i) artistic excellence and artistic~~  
15 ~~merit of the projects, productions, and~~  
16 ~~workshops described in the application are~~  
17 ~~the criteria by which the applications are~~  
18 ~~judged by advisory panels described in sec-~~  
19 ~~tion 204, taking into consideration general~~  
20 ~~standards of decency and respect for the~~  
21 ~~diverse beliefs and values of the public of~~  
22 ~~the United States;~~

23 ~~“(ii) in selecting groups as recipients~~  
24 ~~of grants under section 202(d), the Chair-~~  
25 ~~person shall give particular regard to artis-~~

1 tically underserved areas and artists and  
2 artistic groups that have traditionally been  
3 underrepresented; and

4 “(iii) the projects, productions, and  
5 workshops described in the applications,  
6 and awards of grants under this title, are  
7 consistent with the objectives of section  
8 202 and this section.

9 “(B) OBSCENITY PROVISIONS.—Such regu-  
10 lations and procedures shall clearly indicate  
11 that obscenity is without artistic merit, is not  
12 protected speech, and shall not be funded under  
13 this title. Projects, productions, and workshops  
14 that are determined to be obscene shall be pro-  
15 hibited from receiving grants under this title  
16 from the Endowment.

17 “(2) CONSIDERATIONS FOR THE CHAIR-  
18 PERSON.—In considering an application for a grant  
19 under this title, the Chairperson shall consider the  
20 extent to which the projects, productions, and work-  
21 shops described in the application fulfill the pur-  
22 poses of this Act, as well as their artistic excellence  
23 and artistic merit, as determined by the Chair-  
24 person.

1           ~~“(3) CONSTRUCTION.—The disapproval or ap-~~  
2           ~~proval by the Chairperson of an application for a~~  
3           ~~grant under this title shall not be construed to~~  
4           ~~mean, and shall not be considered to be evidence~~  
5           ~~that, the project, production, or workshop, for which~~  
6           ~~the applicant requested a grant, is or is not obscene.~~

7   **~~“SEC. 204. ADVISORY PANELS.~~**

8           ~~“(a) IN GENERAL.—The Chairperson shall utilize re-~~  
9           ~~view by advisory panels—~~

10           ~~“(1) as the first step in the review of applica-~~  
11           ~~tions submitted under this Act; and~~

12           ~~“(2) to make recommendations to the National~~  
13           ~~Council on the Arts in all cases involving requests~~  
14           ~~for grants authorized under this title, except cases~~  
15           ~~in which the Chairperson exercises authority dele-~~  
16           ~~gated under section 205(f)(2).~~

17           ~~“(b) PROCEDURES.—~~

18           ~~“(1) CRITERIA.—In reviewing the applications,~~  
19           ~~such panels shall recommend applications for~~  
20           ~~projects, productions, and workshops on the basis of~~  
21           ~~artistic excellence and artistic merit, consistent with~~  
22           ~~section 203(b)(1)(A)(i).~~

23           ~~“(2) AMOUNTS.—The panels may recommend~~  
24           ~~only general ranges of funding to be provided~~

1 through the grants and may not recommend specific  
2 amounts of such funding.

3 ~~“(3) REGULATIONS AND PROCEDURES.—~~The  
4 Chairperson shall issue regulations and establish  
5 procedures to—

6 ~~“(A) ensure that all the panels are com-~~  
7 ~~posed, to the extent practicable, of individuals~~  
8 ~~providing a wide geographic, ethnic, and minor-~~  
9 ~~ity representation as well as individuals reflect-~~  
10 ~~ing diverse artistic and cultural points of view;~~

11 ~~“(B) ensure that all the panels include at~~  
12 ~~least 2 members representing lay individuals~~  
13 ~~who are—~~

14 ~~“(i) knowledgeable about the arts;~~

15 ~~“(ii) not engaged in the arts as a pro-~~  
16 ~~fession; and~~

17 ~~“(iii) not employees of either artists’~~  
18 ~~organizations or arts organizations;~~

19 ~~“(C) ensure that, when feasible, the proce-~~  
20 ~~dures used by the panels to carry out their re-~~  
21 ~~sponsibilities are standardized;~~

22 ~~“(D) require each such panel—~~

23 ~~“(i) to create written records summa-~~  
24 ~~rizing—~~

1                   ~~“(I) all meetings and discussions~~  
2                   of such panel; and

3                   ~~“(II) the recommendations made~~  
4                   by such panel to the Council; and

5                   ~~“(ii) to make such records available to~~  
6                   the public in a manner that protects the  
7                   privacy of individual applicants and panel  
8                   members;

9                   ~~“(E) permit, when necessary and feasible,~~  
10                  a site visit to view the work of an applicant and  
11                  deliver a written report on the work being re-  
12                  viewed, in order to assist panelists in making  
13                  their recommendations;

14                  ~~“(F)(i) require that the membership of~~  
15                  each such panel change substantially from year  
16                  to year; and

17                  ~~“(ii) provide that no individual be eligible~~  
18                  to serve on such a panel for more than 5 years,  
19                  no 2 of which may be consecutive; and

20                  ~~“(G) ensure that the panels recommend~~  
21                  more applicants for grants than are anticipated  
22                  can be provided funding through the grants  
23                  with available funds.

24                  ~~“(4) PROHIBITION ON CONFLICTS OF INTER-~~  
25                  EST.—

1           “(A) IN GENERAL.—In making appoint-  
2           ments to the panels, the Chairperson shall en-  
3           sure that an individual who has a pending ap-  
4           plication for a grant authorized under this title,  
5           or who is an employee or agent of an organiza-  
6           tion with such a pending application, or who  
7           has a direct or indirect financial interest in any  
8           application under consideration by such a panel,  
9           does not serve as a member of any panel before  
10          which such application is pending.

11          “(B) DURATION.—The prohibition de-  
12          scribed in subparagraph (A) shall commence  
13          with respect to such individual beginning on the  
14          date such application is submitted, and shall  
15          continue until a final decision on the application  
16          has been reached by the Chairperson.

17   **“SEC. 205. NATIONAL COUNCIL ON THE ARTS.**

18          “(a) ESTABLISHMENT.—There is established within  
19          the Endowment a National Council on the Arts (referred  
20          to in this section as the ‘Council’).

21          “(b) COMPOSITION.—

22                 “(1) IN GENERAL.—The Council shall be com-  
23                 posed of the Chairperson of the Endowment, who  
24                 shall be the Chairperson of the Council, and 20  
25                 other members appointed by the President, by and

1 with the advice and consent of the Senate, who shall  
2 be selected—

3 “(A) from among private citizens of the  
4 United States who—

5 “(i) are widely recognized for their  
6 broad knowledge of, or expertise in, the  
7 arts; and

8 “(ii) have established records of dis-  
9 tinguished service, or achieved eminence, in  
10 the arts;

11 “(B) so as to include practicing artists,  
12 civic cultural leaders, members of cultural pro-  
13 fessions, and others who are professionally en-  
14 gaged in the arts; and

15 “(C) so as collectively to provide an appro-  
16 priate distribution of members among the major  
17 art fields.

18 “(2) QUALIFICATIONS.—The President may, in  
19 making such appointments, give consideration to  
20 such recommendations as may, from time to time, be  
21 submitted to the President by leading national orga-  
22 nizations in the major art fields. In making such ap-  
23 pointments, the President shall give due regard to  
24 equitable representation of women, racially and eth-  
25 nically diverse individuals, and individuals with dis-

1 abilities, who are involved in the arts. Members of  
2 the Council shall be appointed so as to represent eq-  
3 uitably geographical areas in the United States.

4 ~~“(c) TERMS.—~~

5 ~~“(1) IN GENERAL.—~~

6 ~~“(A) STAGGERED TERMS.—Each member~~  
7 ~~of the Council shall serve for a term of 6 years,~~  
8 ~~and the terms shall be staggered.~~

9 ~~“(B) EXPIRATION.—Except as provided in~~  
10 ~~paragraph (2), the terms of all Council mem-~~  
11 ~~bers shall expire on the third day of September~~  
12 ~~in the year of expiration.~~

13 ~~“(C) REAPPOINTMENT AFTER PARTIAL~~  
14 ~~TERM.—Each member who has served on the~~  
15 ~~Council for 1 term of less than 3 years shall be~~  
16 ~~eligible for reappointment for 1 term of 6 years.~~

17 ~~“(D) VACANCY APPOINTMENTS.—Any~~  
18 ~~member appointed to fill a vacancy shall serve~~  
19 ~~for the remainder of the term for which the~~  
20 ~~predecessor of the member was appointed.~~

21 ~~“(E) HOLDOVER SERVICE.—Notwithstand-~~  
22 ~~ing any other provision of this subsection, a~~  
23 ~~member of the Council shall serve after the ex-~~  
24 ~~piration of the term of the member until the~~  
25 ~~successor to the member takes office.~~

1           ~~“(2) ADJUSTMENT TO REDUCE COUNCIL.—~~

2                   ~~“(A) EXPIRATION OF TERMS.—The terms~~  
3           of 10 members of the Council whose terms  
4           would otherwise expire on September 3, 1996  
5           shall be deemed to expire on January 1, 1996.

6                   ~~“(B) TERMS.—The President shall appoint~~  
7           4 members of the Council to succeed members  
8           whose terms are deemed to expire as described  
9           in subparagraph (A). The terms of the succes-  
10          sors shall expire on September 3, 2002.

11           ~~“(d) COMPENSATION.—Members of the Council shall~~  
12          receive compensation at a rate to be fixed by the Chair-  
13          person but not to exceed the daily equivalent of the maxi-  
14          mum rate authorized for a position above grade GS-15  
15          of the General Schedule under section 5108 of title 5,  
16          United States Code, and be allowed travel expenses includ-  
17          ing per diem in lieu of subsistence, in the same amounts  
18          and to the same extent, as authorized under section 5703  
19          of title 5, United States Code, for persons employed inter-  
20          mittently in Federal Government service.

21           ~~“(e) MEETINGS AND DUTIES.—~~

22                   ~~“(1) MEETINGS.—The Council shall meet at~~  
23          the call of the Chairperson but not less often than  
24          twice during each calendar year. Eleven members of

1 the Council shall constitute a quorum. All policy  
2 meetings of the Council shall be open to the public.

3 ~~“(2) DUTIES.—~~The Council shall—

4 ~~“(A) advise the Chairperson with respect~~  
5 ~~to policies, programs, and procedures for carry-~~  
6 ~~ing out the functions of the Chairperson under~~  
7 ~~this title;~~

8 ~~“(B) review applications for grants author-~~  
9 ~~ized under this title and make recommendations~~  
10 ~~to the Chairperson with respect to—~~

11 ~~“(i) whether to approve particular ap-~~  
12 ~~plications for grants authorized under this~~  
13 ~~title that have been determined by advisory~~  
14 ~~panels to have artistic excellence and artis-~~  
15 ~~tic merit; and~~

16 ~~“(ii) the amount of funding that the~~  
17 ~~Chairperson should provide through such a~~  
18 ~~grant with respect to each such application~~  
19 ~~the Council recommends for approval;~~

20 ~~“(C) use as criteria for the recommenda-~~  
21 ~~tions of the Council—~~

22 ~~“(i) the extent to which the works de-~~  
23 ~~scribed in the applications fulfill the pur-~~  
24 ~~poses of this Act; and~~

1           “(ii) the artistic excellence and artistic  
2           merit of the works described in the appli-  
3           cations,

4           as determined by each Council member;

5           “(D) recommend more applications for  
6           funding through grants than are anticipated  
7           can be provided funding through the grants  
8           with available funds;

9           “(E) create written records summarizing—

10           “(i) all meetings and discussions of  
11           the Council; and

12           “(ii) recommendations made by the  
13           Council to the Chairperson; and

14           “(F) make such records available to the  
15           public in a manner that protects the privacy of  
16           individual applicants for grants authorized  
17           under this title, advisory panel members, and  
18           Council members.

19           “(f) ACTIONS BY CHAIRPERSON.—

20           “(1) IN GENERAL.—The Chairperson shall not  
21           approve or disapprove any application for a grant  
22           authorized under this title until the Chairperson has  
23           received the recommendation of the Council on such  
24           application. The Chairperson shall have final author-  
25           ity to approve each such application, and shall deter-

1 mine the final amount of funding through any grant  
2 awarded. The Chairperson may not approve an ap-  
3 plication with respect to which the Council makes a  
4 negative recommendation.

5 “(2) DELEGATIONS.—In the case of an applica-  
6 tion, or amendment of an application, submitted  
7 under this title and involving \$35,000 or less, or a  
8 request for change in a grant amount of 20 percent  
9 or less, the Chairperson may approve or disapprove  
10 such application, amendment, or request, if such ac-  
11 tion is taken pursuant to the terms of an express  
12 and direct delegation of authority from the Council  
13 to the Chairperson, and if each such action by the  
14 Chairperson is reported to the Council at the next  
15 regularly scheduled meeting of the Council. Such ac-  
16 tion by the Chairperson shall be used with discretion  
17 and shall not become a normal practice of providing  
18 funding through a grant authorized under this title.  
19 The terms of any such delegation of authority shall  
20 not permit obligations for expenditure of funds  
21 under such delegation for any fiscal year that exceed  
22 an amount equal to 2 percent of the sums appro-  
23 priated for the fiscal year pursuant to section  
24 104(a)(1).

1 ~~“SEC. 206. LIMITATIONS ON GRANTS.~~

2 ~~“(a) PROHIBITION ON SUBGRANTS.—The Chair-~~  
3 ~~person shall establish procedures to ensure that no fund-~~  
4 ~~ing provided through a grant under this title, except a~~  
5 ~~grant made to a State or regional group, may be used~~  
6 ~~to make a grant to any other organization or individual~~  
7 ~~to conduct activity independent of the direct grant recipi-~~  
8 ~~ent. Nothing in this subsection shall prohibit payments~~  
9 ~~made in exchange for goods or services rendered.~~

10 ~~“(b) PROHIBITION ON SEASONAL SUPPORT.—No~~  
11 ~~grant awarded under this title may be used for seasonal~~  
12 ~~support of a project, production, or workshop.~~

13 ~~“(c) USE OF FUNDS FOR PROJECTS, PRODUCTIONS,~~  
14 ~~AND WORKSHOPS IN SPECIFIED DISCIPLINES.—Each~~  
15 ~~project, production, or workshop funded under this title~~  
16 ~~shall relate to arts, as defined in section 3.~~

17 ~~“(d) LABOR STANDARDS.—~~

18 ~~“(1) IN GENERAL.—It shall be a condition of~~  
19 ~~the receipt of any grant under this title that the~~  
20 ~~grant recipient furnish adequate assurances to the~~  
21 ~~Secretary of Labor that—~~

22 ~~“(A) all professional performers and relat-~~  
23 ~~ed or supporting professional personnel em-~~  
24 ~~ployed on projects or productions, or in work-~~  
25 ~~shops, that are financed in whole or in part~~  
26 ~~under this title will be paid, without subsequent~~

1 deduction or rebate on any account, not less  
2 than the minimum compensation as determined  
3 by the Secretary of Labor to be the prevailing  
4 minimum compensation for persons employed in  
5 similar activities; and

6 “(B) no part of any project, production, or  
7 workshop that is financed in whole or in part  
8 under this title will be performed or engaged in  
9 under working conditions that are unsanitary or  
10 hazardous or dangerous to the health and safe-  
11 ty of the employees engaged in such project,  
12 production, or workshop.

13 “(2) EVIDENCE.—Compliance with the safety  
14 and sanitary laws of the State in which the project,  
15 production, or workshop described in paragraph  
16 (1)(B) is to take place shall be prima facie evidence  
17 of compliance with the assurance described in para-  
18 graph (1)(B).

19 “(3) STANDARDS, REGULATIONS, AND PROCE-  
20 DURES.—The Secretary of Labor shall have the au-  
21 thority to prescribe such standards, regulations, and  
22 procedures as the Secretary of Labor may determine  
23 to be necessary or appropriate to carry out this sub-  
24 section.

25 “(c) LIMITATION ON GRANT AWARD.—

1           ~~“(1) INDIVIDUALS.—No individual may receive~~  
2           ~~more than 2 grant awards under this title.~~

3           ~~“(2) AGENCIES AND ORGANIZATIONS.—No~~  
4           ~~agency or organization, other than a State council,~~  
5           ~~may receive more than 3 grant awards in a year~~  
6           ~~under this title.~~

7           ~~“(f) REQUIREMENTS FOR GROUPS.—A group shall be~~  
8           ~~eligible for a grant under this title if—~~

9                   ~~“(1) no part of the net earnings of the group~~  
10                   ~~inures to the benefit of any private stockholder, or~~  
11                   ~~individual; and~~

12                   ~~“(2) a donation to such group is allowable as~~  
13                   ~~a charitable contribution under section 170(c) of the~~  
14                   ~~Internal Revenue Code of 1986.~~

15           ~~“(g) CITIZENSHIP REQUIREMENTS FOR INDIVID-~~  
16           ~~UALS.—An individual shall be eligible to receive a direct~~  
17           ~~grant under this title if at the time such grant is received~~  
18           ~~such individual—~~

19                   ~~“(1) is a citizen or other national of the United~~  
20                   ~~States; or~~

21                   ~~“(2) is an alien lawfully admitted to the United~~  
22                   ~~States for permanent residence who—~~

23                           ~~“(A) has filed an application for natu-~~  
24                           ~~ralization in the manner prescribed by section~~

1           334 of the Immigration and Nationality Act (8  
2           U.S.C. 1445); and

3           “(B) is not permanently ineligible to be-  
4           come a citizen of the United States.

5           “(h) INSTALLMENTS.—The Chairperson shall estab-  
6           lish procedures to provide for the distribution of funding  
7           provided through grants made under this title to recipients  
8           in installments except in exceptional cases in which the  
9           Chairperson determines that installments are not prac-  
10          ticable. In providing any such installments to a recipient  
11          of a grant under this title, the Chairperson shall ensure  
12          that—

13           “(1) not more than two-thirds of such funding  
14           may be provided at the time the application for the  
15           grant is approved; and

16           “(2) the remainder of such funding may not be  
17           provided until the Chairperson finds that the recipi-  
18           ent of such grant is complying substantially with  
19           this Act and with the conditions under which such  
20           funding is provided to such recipient.

21           “(i) LOANS.—Any loan made by the Chairperson  
22           under this title shall be made in accordance with terms  
23           and conditions approved by the Secretary of the Treasury.

1 **“SEC. 207. ADMINISTRATIVE PROVISIONS.**

2       ~~“(a) AUTHORITIES OF CHAIRPERSON.—In addition~~  
3 ~~to any authorities vested in the Chairperson by other pro-~~  
4 ~~visions of this Act, the Chairperson, in carrying out the~~  
5 ~~functions of the Chairperson, shall have authority—~~

6             ~~“(1) to prescribe such regulations and proce-~~  
7 ~~dures as the Chairperson determines to be necessary~~  
8 ~~governing the manner in which the functions of the~~  
9 ~~Chairperson shall be carried out;~~

10            ~~“(2)(A) to solicit, accept, receive, invest, and~~  
11 ~~use money and other property donated, bequeathed,~~  
12 ~~or devised to the Endowment, either absolutely or in~~  
13 ~~trust, with or without a condition or restriction, in-~~  
14 ~~cluding a condition that the Chairperson use other~~  
15 ~~funds of the Endowment for the purposes of the do-~~  
16 ~~nation, bequest, or devise; and~~

17            ~~“(B) to add such property to the appropriations~~  
18 ~~for the Endowment as provided in section 104(a)(2),~~  
19 ~~and to use, sell, or otherwise dispose of such prop-~~  
20 ~~erty, for purposes of carrying out the activities of~~  
21 ~~the Endowment under this title;~~

22            ~~“(3) to appoint and determine the compensa-~~  
23 ~~tion of such employees, subject to title 5, United~~  
24 ~~States Code, as may be necessary to carry out the~~  
25 ~~functions of the Chairperson, define their duties,~~  
26 ~~and supervise and direct their activities;~~

1           “(4) to procure the temporary and intermittent  
2 services of experts and consultants, including panels  
3 of experts, and compensate the experts and consult-  
4 ants in accordance with section 3109 of title 5,  
5 United States Code;

6           “(5) to accept and utilize the voluntary services  
7 of individuals and reimburse the individuals for trav-  
8 el expenses, including per diem in lieu of subsist-  
9 ence, in the same amounts and to the same extent  
10 as authorized under section 5703 of title 5, United  
11 States Code, for persons employed intermittently in  
12 Federal Government service;

13           “(6) to make advance, progress, and other pay-  
14 ments without regard to section 3324 of title 331,  
15 United States Code;

16           “(7) to rent office space in the District of Co-  
17 lumbia; and

18           “(8) to make other necessary expenditures.

19           “(b) PUBLICATIONS.—Official publications of the En-  
20 dowment under this title may be supported without regard  
21 to the provisions of section 501 of title 44, United States  
22 Code, if the Chairperson consults with the Joint Commit-  
23 tee on Printing of the Congress.

24           “(c) COORDINATION.—The Chairperson shall coordi-  
25 nate the programs of the Endowment, insofar as prac-

1 ticable, with other Federal programs and programs under-  
 2 taken by other public agencies or private groups, and shall  
 3 develop the programs of the Endowment with due regard  
 4 to the contribution to the objectives of this title that can  
 5 be made by other Federal agencies under the existing pro-  
 6 grams. The Chairperson may enter into interagency agree-  
 7 ments to promote or assist with the arts-related activities  
 8 of other Federal agencies, on a reimbursable or  
 9 nonreimbursable basis, and may use funds authorized to  
 10 be appropriated to carry out this title to pay for the costs  
 11 of such promotion or assistance.

12 **“SEC. 208. REPORTS.**

13       “(a) ANNUAL REPORT OF CHAIRPERSON.—The  
 14 Chairperson shall submit an annual report to the Presi-  
 15 dent for submission to the appropriate committees of Con-  
 16 gress on or before the 15th day of April of each year. The  
 17 report shall summarize the activities of the Endowment  
 18 for the preceding year, and shall include such rec-  
 19 ommendations as the Chairperson determines to be appro-  
 20 priate.

21       “(b) STATE OF THE ARTS REPORT.—

22               “(1) IN GENERAL.—The Chairperson shall use  
 23 data submitted with State plans under section  
 24 202(c), and the information contained in reports  
 25 submitted by States under section 202(c) or this sec-

1 tion, to prepare a report on the state of the arts in  
2 the United States.

3 ~~“(2) CONTENTS.—The state of the arts report~~  
4 ~~shall include a description of—~~

5 ~~“(A) the availability of the programs of the~~  
6 ~~Endowment to emerging, rural, and culturally~~  
7 ~~diverse artists, arts organizations, and commu-~~  
8 ~~nities; and~~

9 ~~“(B) the participation by such artists, or-~~  
10 ~~ganizations, and communities in such programs.~~

11 ~~“(3) SUBMISSION.—The state of the arts report~~  
12 ~~shall be submitted to the President and Congress,~~  
13 ~~and provided to the States, not later than October~~  
14 ~~1, 1996, and quadrennially thereafter.~~

15 ~~“(c) FINANCIAL REPORTS AND COMPLIANCE.—~~

16 ~~“(1) IN GENERAL.—It shall be a condition of~~  
17 ~~the receipt of a grant made under this title by the~~  
18 ~~Chairperson that—~~

19 ~~“(A) each applicant for such grant include~~  
20 ~~in the application described in section 203—~~

21 ~~“(i) a detailed description of the pro-~~  
22 ~~posed project, production, or workshop for~~  
23 ~~which the grant is requested;~~

1           “(ii) a timetable for the completion of  
2           such proposed project, production, or  
3           workshop; and

4           “(iii) an assurance that the applicant  
5           will meet the standards of artistic excel-  
6           lence and artistic merit;

7           “(B)(i) each grant recipient under this  
8           title carry out the proposal consistent with the  
9           description contained in the application, as ap-  
10          proved by the Chairperson for funding through  
11          the grant; and

12          “(ii) each such grant recipient seeking to  
13          change the activities carried out under the  
14          grant justify the requested change by a written  
15          request subject to approval by the Chairperson;  
16          and

17          “(C) each such grant recipient agree to  
18          and comply with requirements to submit to the  
19          Chairperson—

20                 “(i) interim reports, including an an-  
21                 nual report for each project, production, or  
22                 workshop carried out under the grant dur-  
23                 ing a period exceeding 1 year, describing  
24                 the progress of the grant recipient in ear-  
25                 rying out such project, production, or

1 workshop and compliance by the grant re-  
2 cipient with the conditions of receipt of  
3 such grant;

4 “(ii) financial reports containing such  
5 information as the Chairperson determines  
6 to be necessary to ensure that the funding  
7 made available through the grant is ex-  
8 pended in accordance with the terms and  
9 conditions under which the grant is made;

10 “(iii) a final report describing the  
11 project, production, or workshop carried  
12 out with the funding provided through the  
13 grant and the compliance by the grant re-  
14 cipient with the conditions of receipt of  
15 such grant, including the condition that  
16 the work assisted meet the standards of  
17 artistic excellence and artistic merit; and

18 “(iv) in the case of a project or pro-  
19 duction, and if practicable, as determined  
20 by the Chairperson, a copy of such project  
21 or production.

22 “(2) REPORT REQUIREMENTS.—The Chair-  
23 person shall determine the appropriate form and  
24 timing of interim reporting described in paragraph  
25 (1)(C)(i) for a grant recipient under this title. The

1 reports and copy described in clauses (ii), (iii), and  
2 (iv) of paragraph (1)(C) shall be due not later than  
3 90 days after the end of the period for which such  
4 grant recipient receives funding through the grant or  
5 90 days after the completion of the project, produc-  
6 tion, or workshop, whichever occurs earlier. The  
7 Chairperson may extend the 90-day period if the re-  
8 cipient shows good cause why such an extension  
9 should be granted.

10 “(d) EVALUATION.—The Chairperson shall conduct  
11 a post-award evaluation of activities for which grants are  
12 made by the Chairperson under this title. Such evaluation  
13 may include an audit to determine the accuracy of the re-  
14 ports required to be submitted by grant recipients under  
15 subsection (c).

16 “(e) REPORTS.—The Chairperson shall establish pro-  
17 cedures to require that no additional funding shall be pro-  
18 vided to a recipient of a grant authorized under this title  
19 unless such recipient has submitted to the Chairperson all  
20 required interim, financial, and final reports under sub-  
21 section (c).

22 **“SEC. 209. SANCTIONS AND PAYMENTS.**

23 “(a) FAILURE TO SATISFY PURPOSES.—If any recip-  
24 ient of a grant made under this title, or an indirect recipi-  
25 ent of funding provided through the grant, substantially

1 fails to satisfy the purposes for which such grant is made,  
2 as determined by the Chairperson, the Chairperson may—

3       ~~“(1) for purposes of determining whether to~~  
4       ~~make any subsequent funding to the direct or indi-~~  
5       ~~rect recipient under this title, take into consideration~~  
6       ~~the results of the post-award evaluation conducted~~  
7       ~~under section 208(d);~~

8       ~~“(2) prohibit the direct and indirect recipients~~  
9       ~~from using the name of, or in any way associating~~  
10       ~~the project, production, or workshop for which the~~  
11       ~~grant was received with, the Endowment; and~~

12       ~~“(3) if such project, production, or workshop is~~  
13       ~~published, require that the publication contain the~~  
14       ~~following statement: ‘The opinions, findings, conclu-~~  
15       ~~sions, and recommendations expressed in this publi-~~  
16       ~~cation do not reflect the views of the National En-~~  
17       ~~dowment for the Arts.’~~

18       ~~“(b) NONCOMPLIANCE.—~~

19       ~~“(1) IN GENERAL.—The Chairperson shall take~~  
20       ~~the actions described in paragraph (2) whenever the~~  
21       ~~Chairperson, after providing reasonable notice and~~  
22       ~~an opportunity for hearing, finds that—~~

23       ~~“(A) a direct recipient of a grant under~~  
24       ~~this title, or an indirect recipient of funding~~

1 provided through the grant, is not complying  
2 substantially with the provisions of this title;

3 “(B) a State agency or regional group that  
4 received a grant under this title, or an indirect  
5 recipient of funding provided through the grant,  
6 is not complying substantially with terms and  
7 conditions of the State plan accompanying the  
8 application approved for the grant under this  
9 title; or

10 “(C) any funding provided under this title  
11 to a recipient, State agency, or regional group  
12 described in subparagraph (A) or (B) has been  
13 diverted from the purposes for which such fund-  
14 ing was provided.

15 “(2) ACTIONS.—On making the finding de-  
16 scribed in paragraph (1), the Chairperson shall im-  
17 mediately notify the direct recipient, State agency,  
18 or regional group that received the funding at issue  
19 that—

20 “(A) no further funding will be provided  
21 under this title to such recipient, agency, or  
22 group until there is no longer any default or  
23 failure to comply or the diversion is corrected;  
24 or

1           “(B) if compliance or correction is impos-  
2           sible, until such recipient, agency, or group re-  
3           pays or arranges the repayment of the Federal  
4           funds that were improperly diverted or ex-  
5           pended.

6           “(c) OBSCENE WORKS.—

7           “(1) DETERMINATION.—If, after providing rea-  
8           sonable notice and opportunity for a hearing on the  
9           record, the Chairperson determines that a direct re-  
10          cipient of a grant under this title, or an indirect re-  
11          cipient of funding provided through the grant, used  
12          the funding for a project, production, or workshop  
13          that is determined to be obscene, the Chairperson  
14          shall require that until the direct recipient repays  
15          such funding (in such amount, and under such  
16          terms and conditions, as the Chairperson determines  
17          to be appropriate) to the Endowment, no subsequent  
18          funding shall be provided under this title to such re-  
19          cipient.

20          “(2) CREDITING.—Funds repaid under this  
21          subsection to the Endowment shall be deposited in  
22          the Treasury of the United States and credited as  
23          miscellaneous receipts.

24          “(3) APPLICATION.—

1           “(A) TIMING.—This subsection shall not  
2           apply with respect to grants made before Octo-  
3           ber 1, 1990.

4           “(B) DURATION.—This subsection shall  
5           not apply with respect to a project, production,  
6           or workshop after the expiration of the 7-year  
7           period beginning on the latest date on which a  
8           grant is made under this title for such project,  
9           production, or workshop.

10          “(d) PROGRAM INCOME.—

11           “(1) IN GENERAL.—A recipient of funding  
12           under this title shall pay the amount described in  
13           paragraph (2) to the Endowment if the Chairperson  
14           finds that the recipient has derived program income  
15           from the project, production, or workshop funded  
16           that exceeds the lesser of—

17                   “(A) \$50,000; or

18                   “(B) twice the amount of the funding.

19           “(2) AMOUNT.—The amount referred to in  
20           paragraph (1) is  $\frac{1}{3}$  of the amount of the revenue,  
21           but not more than the amount of the funding.

22          “(e) ACCOUNT.—Except as otherwise provided in this  
23          Act, the Treasurer of the United States shall deposit funds  
24          paid under subsection (d), or repaid under this Act, in

1 a special interest bearing account to the credit of the En-  
2 dowment.

3 **“SEC. 210. AWARDS.**

4 **“(a) NATIONAL MEDAL OF ARTS.—**

5 **“(1) ESTABLISHMENT.—**There is established a  
6 National Medal of Arts, which shall be a medal of  
7 such design as is determined to be appropriate by  
8 the President, on the basis of recommendations sub-  
9 mitted by the National Council on the Arts, and  
10 which shall be awarded as provided in this sub-  
11 section.

12 **“(2) AWARDS.—**The President shall from time  
13 to time award the National Medal of Arts, on the  
14 basis of recommendations from the National Council  
15 on the Arts, to individuals or groups who in the  
16 judgment of the President are deserving of special  
17 recognition by reason of their outstanding contribu-  
18 tions to the excellence, growth, support, and avail-  
19 ability of the arts in the United States.

20 **“(3) NUMBER OF MEDALS.—**Not more than 12  
21 of such medals may be awarded in any calendar  
22 year.

23 **“(4) QUALIFICATIONS.—**An individual may be  
24 awarded the National Medal of Arts if at the time

1 such award is made such individual meets the re-  
2 quirements of section 206(g).

3 ~~“(5) GROUPS.—A group may be awarded the~~  
4 ~~National Medal of Arts if such group is organized or~~  
5 ~~incorporated in the United States.~~

6 ~~“(6) CEREMONIES.—The presentation of the~~  
7 ~~National Medal of Arts shall be made by the Presi-~~  
8 ~~dent with such ceremonies as the President may de-~~  
9 ~~termine to be appropriate, including attendance by~~  
10 ~~appropriate Members of Congress.~~

11 ~~“(b) AWARD FOR DISTINGUISHED LIFETIME SERV-~~  
12 ~~ICE FOR THE ARTS.—~~

13 ~~“(1) ESTABLISHMENT.—There is established an~~  
14 ~~Award for Distinguished Lifetime Service for the~~  
15 ~~Arts.~~

16 ~~“(2) CEREMONIES.—The Chairperson shall~~  
17 ~~present the award described in paragraph (1) to~~  
18 ~~each of the former Chairpersons of the Endowment~~  
19 ~~in conjunction with such ceremonies as the Director~~  
20 ~~may determine to be appropriate to celebrate the~~  
21 ~~30th anniversary of the establishment of the Endow-~~  
22 ~~ment.~~

23 ~~“(3) EFFECTIVE DATE.—Paragraphs (1) and~~  
24 ~~(2) shall be effective during the period beginning on~~

1 the date of enactment of this section and ending on  
2 March 31, 1996.

3 ~~“(c) FUNDS.—The Chairperson shall use amounts re-~~  
4 ~~ceived by the National Endowment for the Arts under sec-~~  
5 ~~tion 207(a)(2) to carry out this section.~~

6 **~~“TITLE III—NATIONAL ENDOW-~~**  
7 **~~MENT FOR THE HUMANITIES~~**

8 **~~“SEC. 301. DEFINITIONS.~~**

9 ~~“As used in this title:~~

10 ~~“(1) PROJECT.—~~

11 ~~“(A) IN GENERAL.—The term ‘project’~~  
12 ~~means an activity organized to carry out the ob-~~  
13 ~~jectives of this title.~~

14 ~~“(B) RENOVATION OR CONSTRUCTION.—~~

15 ~~Such term also includes—~~

16 ~~“(i) the renovation of a facility if—~~

17 ~~“(I) the amount of the expendi-~~  
18 ~~ture of Federal funds for such pur-~~  
19 ~~pose in the case of any facility does~~  
20 ~~not exceed \$250,000; and~~

21 ~~“(II) two-thirds of the members~~  
22 ~~of the National Council on the Hu-~~  
23 ~~manities (who are present and voting)~~  
24 ~~approve of a grant or contract involv-~~

1 ing an expenditure for such purpose;

2 and

3 ~~“(ii) for purposes of section 302(d),~~

4 the construction of a facility if—

5 ~~“(I) such construction is for~~

6 ~~demonstration purposes or under un-~~

7 ~~usual circumstances in which there is~~

8 ~~no other manner by which to accom-~~

9 ~~plish a humanistic purpose; and~~

10 ~~“(II) two-thirds of the members~~

11 ~~of the National Council on the Hu-~~

12 ~~manities (who are present and voting)~~

13 ~~approve of a grant or contract involv-~~

14 ~~ing an expenditure for such purpose.~~

15 ~~“(2) WORKSHOP.—The term ‘workshop’ means~~

16 ~~an activity the primary purpose of which is to pro-~~

17 ~~mote scholarship and teaching among the partici-~~

18 ~~pants.~~

19 **“SEC. 302. ESTABLISHMENT OF THE NATIONAL ENDOW-**

20 **MENT FOR THE HUMANITIES.**

21 ~~“(a) ESTABLISHMENT.—There is established within~~

22 ~~the Foundation a National Endowment for the Human-~~

23 ~~ities (referred to in this title as the ‘Endowment’).~~

24 ~~“(b) CHAIRPERSON.—~~

1           “(1) APPOINTMENT.—The Endowment shall be  
2 headed by a chairperson, to be known as the Chair-  
3 person of the Endowment (referred to in this title as  
4 the ‘Chairperson’), who shall be appointed by the  
5 President, by and with the advice and consent of the  
6 Senate.

7           “(2) TERM.—

8           “(A) IN GENERAL.—The term of office of  
9 the Chairperson shall be 4 years, except that  
10 any Chairperson appointed to fill a vacancy  
11 shall serve for the remainder of the term for  
12 which the predecessor of the Chairperson was  
13 appointed. Notwithstanding any other provision  
14 of this subparagraph, on the expiration of the  
15 term of office of the Chairperson, the Chair-  
16 person shall serve until the successor to the  
17 Chairperson is appointed and has qualified.

18           “(B) REAPPOINTMENT.—The Chairperson  
19 shall be eligible for reappointment.

20           “(c) PARTNERSHIP GRANTS.—

21           “(1) PURPOSE.—The purpose of this subsection  
22 is to support programs of humanities councils at the  
23 State and local levels.

24           “(2) DEFINITION.—

1           “(A) ~~IN GENERAL.~~—Except as provided in  
2           subparagraph (B), as used in this subsection,  
3           the term ‘State entity’ means—

4                   “(i) a State that obtains approval of  
5                   an application submitted under paragraph  
6                   (4); or

7                   “(ii) in a case in which a State fails  
8                   to submit an application under paragraph  
9                   (4), an appropriate entity that obtains ap-  
10                  proval of an application submitted under  
11                  paragraph (5).

12          “(B) ~~JURISDICTION.~~—

13                  “(i) ~~STATE ENTITY.~~—As used in  
14                  paragraph (6)(C)(ii), the term ‘State en-  
15                  tity’ means a State entity, as defined in  
16                  subparagraph (A), for a State.

17                  “(ii) ~~STATE.~~—As used in clause (i),  
18                  and notwithstanding section 3(7), the term  
19                  ‘State’, includes, in addition to the several  
20                  States of the United States, only the juris-  
21                  dictions specified in such section that have  
22                  a population of 200,000 or more, according  
23                  to the latest decennial census.

24          “(3) ~~GENERAL AUTHORITY.~~—Using funds re-  
25          served under section 104(b)(1)(B) and such portion

1 of any funds made available under section 104(b)(2)  
2 as may be appropriate, the Chairperson, acting on  
3 the recommendation of the National Council on the  
4 Humanities, may, in accordance with the provisions  
5 of this subsection, establish and carry out a program  
6 of grants to assist State entities—

7 “(A) in paying for not more than 50 per-  
8 cent of the cost (except as otherwise provided in  
9 this subsection) of supporting activities that  
10 achieve the objectives described in subpara-  
11 graphs (A) through (F) of subsection (d)(2)  
12 and in subparagraphs (A) and (B) of subsection  
13 (e)(2); or

14 “(B) in matching contributions from non-  
15 Federal sources made to a trust fund the pur-  
16 pose of which is to provide long-term financial  
17 support for such activities.

18 “(4) GRANTS THROUGH STATE AGENCIES.—

19 “(A) DESIGNATION.—In order to receive a  
20 grant under this subsection for any fiscal year,  
21 if a State desires to designate or to provide for  
22 the establishment of a State agency (referred to  
23 in this section as a ‘State agency’) as the sole  
24 agency for the administration of the State plan  
25 referred to in subparagraph (B) relating to the

1 grant, such State shall designate as the State  
2 agency the humanities council or shall provide  
3 for the establishment of such a council.

4 “(B) APPLICATION AND STATE PLAN.—In  
5 any State that designates or provides for the  
6 establishment of a State agency as described in  
7 subparagraph (A), the chief executive officer of  
8 the State shall submit, before the beginning of  
9 each fiscal year, an application for a grant and  
10 accompany such application with a State plan  
11 that the Chairperson finds—

12 “(i) designates or provides for the es-  
13 tablishment of a State agency;

14 “(ii) provides that the chief executive  
15 officer of the State will appoint new mem-  
16 bers to the State humanities council des-  
17 ignated or established under subparagraph  
18 (A), as vacancies occur as a result of the  
19 expiration of the terms of members of such  
20 council, until the chief executive officer has  
21 appointed all of the members of such coun-  
22 cil;

23 “(iii) provides for the expenditure,  
24 from State funds, of an amount equal to  
25 50 percent of the portion of the funding

1 received by such State through a grant  
2 made under paragraph (6)(A) (relating to  
3 the minimum State allotment), or 25 per-  
4 cent of the total amount of funding re-  
5 ceived by such State through grants made  
6 under this subsection, whichever is greater,  
7 for the fiscal year involved (except as oth-  
8 erwise provided in paragraph (7));

9 “(iv) provides that funds paid to the  
10 State under this subsection will be ex-  
11 pended solely on activities, approved by the  
12 State agency, that—

13 “(I) achieve the objectives de-  
14 scribed in subparagraphs (A) through  
15 (F) of subsection (d)(2) and subpara-  
16 graphs (A) and (B) of subsection  
17 (e)(2); and

18 “(II) are designed to bring the  
19 humanities to the public;

20 “(v) provides assurances that State  
21 funds will be made available for the pur-  
22 pose of meeting the requirements of this  
23 subparagraph;

24 “(vi) provides that the State agency  
25 will make such reports, in such manner

1 and containing such information, as the  
2 Chairperson may from time to time re-  
3 quire, including a description of the  
4 progress made toward achieving the objec-  
5 tives of the State plan;

6 “(vii) provides—

7 “(I) an assurance that the State  
8 agency has held, after reasonable no-  
9 tice, public meetings in the State to  
10 allow scholars, interested organiza-  
11 tions, and the public to present views  
12 and make recommendations regarding  
13 the State plan; and

14 “(II) a summary of such rec-  
15 ommendations and of the response of  
16 the State agency to such recommenda-  
17 tions; and

18 “(viii) contains—

19 “(I) for the most recent preced-  
20 ing year for which information is  
21 available, a description of the level of  
22 participation by scholars and scholarly  
23 organizations in activities supported  
24 by funding from the State agency  
25 under this subsection and a descrip-

1           tion of the extent to which the activi-  
2           ties supported by funding from the  
3           State agency under this subsection  
4           were available to all people and com-  
5           munities in the State; and

6           “~~(II)~~ a description of activities  
7           supported by funding from the State  
8           agency under this subsection that  
9           exist or are being developed to secure  
10          wider participation of scholars and  
11          scholarly organizations described in  
12          subclause ~~(I)~~ or that address the  
13          availability of the humanities to all  
14          people or communities described in  
15          subclause ~~(I)~~.

16          “~~(C)~~ APPROVAL.—The Chairperson may  
17          not approve an application described in sub-  
18          paragraph ~~(B)~~ unless the accompanying State  
19          plan satisfies the requirements specified in sub-  
20          paragraph ~~(B)~~.

21          “~~(5)~~ GRANTS TO APPROPRIATE ENTITIES.—

22          “~~(A)~~ DESIGNATION.—In any State in  
23          which the chief executive officer of the State  
24          fails to submit an application under paragraph  
25          ~~(4)(B)~~ for a fiscal year, the Chairperson may

1           make grants under paragraph (3) to an appro-  
2           priate entity in the State, and each such entity  
3           shall establish a procedure that ensures that 8  
4           members of the governing body of such entity  
5           shall be appointed by an appropriate officer or  
6           agency of such State, except that in no event  
7           may the number of such members exceed  $\frac{1}{3}$  of  
8           the total membership of such governing body.  
9           The officer or agency shall select the members  
10          from among individuals who have knowledge of  
11          or experience in the humanities.

12                 “(B) APPLICATION AND PLAN.—If a State  
13          fails to submit an application under paragraph  
14          (4)(B) for a fiscal year, any appropriate entity  
15          in the State desiring to receive a grant under  
16          this subsection for the fiscal year shall submit  
17          an application for such grant at such time and  
18          in such manner as shall be specified by the  
19          Chairperson, and accompany such application  
20          with a State plan that the Chairperson finds—

21                         “(i) provides assurances that such en-  
22                         tity will comply with the requirements of  
23                         subparagraph (A);

1           “(ii) provides that funds paid to such  
2           entity under this paragraph will be ex-  
3           pended solely on activities that—

4                   “(I) achieve the objectives de-  
5                   scribed in subparagraphs (A) through  
6                   (F) of subsection (d)(2) and subpara-  
7                   graphs (A) and (B) of subsection  
8                   (e)(2); and

9                   “(II) are designed to bring the  
10                  humanities to the public;

11                  “(iii) establishes a membership policy  
12                  that is designed to ensure broad public  
13                  representation with respect to activities ad-  
14                  ministered by such entity;

15                  “(iv) provides for a nomination proc-  
16                  ess that ensures opportunities for nomina-  
17                  tion to membership in the governing body  
18                  from various groups in such State and  
19                  from a variety of segments of the popu-  
20                  lation of such State, including individuals  
21                  who by reason of their achievement, schol-  
22                  arship, or creativity in the humanities, are  
23                  especially qualified to serve as members of  
24                  the body;

1           ~~“(v) provides for a membership rota-~~  
2           ~~tion process that ensures the regular rota-~~  
3           ~~tion of the membership and officers of~~  
4           ~~such entity;~~

5           ~~“(vi) establishes reporting procedures~~  
6           ~~that are designed to inform the chief execu-~~  
7           ~~utive officer of such State, and other ap-~~  
8           ~~propriate officers and agencies, of the ac-~~  
9           ~~tivities of such entity;~~

10          ~~“(vii) establishes procedures to ensure~~  
11          ~~public access to information relating to~~  
12          ~~such activities;~~

13          ~~“(viii) provides that such entity will~~  
14          ~~make such reports, at such times, in such~~  
15          ~~manner, and containing such information,~~  
16          ~~as the Chairperson may require, including~~  
17          ~~a description of the progress made toward~~  
18          ~~achieving the objectives of the State plan;~~

19          ~~“(ix) provides—~~

20                 ~~“(I) an assurance that the entity~~  
21                 ~~has held, after reasonable notice, pub-~~  
22                 ~~lic meetings in the State to allow~~  
23                 ~~scholars, interested organizations, and~~  
24                 ~~the public to present views and make~~

1 recommendations regarding the State  
2 plan; and

3 “(II) a summary of such rec-  
4 ommendations and of the response of  
5 the entity to such recommendations;  
6 and

7 “(x) contains—

8 “(I) for the most recent preced-  
9 ing year for which information is  
10 available, a description of the level of  
11 participation by scholars and scholarly  
12 organizations in activities supported  
13 by funding from the entity under this  
14 subsection, and a description of the  
15 extent to which activities supported by  
16 funding from the entity under this  
17 subsection were available to all people  
18 and communities in the State; and

19 “(II) a description of activities  
20 supported by funding from the entity  
21 under this subsection that exist or are  
22 being developed to secure wider par-  
23 ticipation of scholars and scholarly or-  
24 ganizations described in subclause (I)  
25 or that address the availability of the

1                   humanities to all people or commu-  
2                   nities described in subclause (I).

3                   “(C) APPROVAL.—The Chairperson may  
4                   not approve an application described in sub-  
5                   paragraph (B) unless the accompanying plan  
6                   satisfies the requirements specified in subpara-  
7                   graph (B).

8                   “(6) ALLOTMENTS.—

9                   “(A) IN GENERAL.—Of the sums available  
10                  to carry out this subsection for any fiscal year,  
11                  each State entity shall be allotted at least  
12                  \$200,000.

13                  “(B) INSUFFICIENT SUMS.—If the sums  
14                  available to carry out this subsection for any  
15                  fiscal year are insufficient to make the allot-  
16                  ments under subparagraph (A) in full, such  
17                  sums shall be allotted so that each State entity  
18                  receives an equal amount.

19                  “(C) EXCESS FUNDS.—In any case in  
20                  which the sums available to carry out this sub-  
21                  section for any fiscal year are in excess of the  
22                  amount required to make the allotments under  
23                  subparagraph (A)—

24                          “(i) 34 percent of the amount of such  
25                          excess for such fiscal year shall be avail-

1           able to the Chairperson for making grants  
2           under this subsection to State entities;

3           ~~“(ii) 44 percent of the amount of such~~  
4           ~~excess for such fiscal year shall be allotted~~  
5           ~~so that each State entity receives an equal~~  
6           ~~amount; and~~

7           ~~“(iii) the remainder of the amount of~~  
8           ~~such excess for such fiscal year shall be al-~~  
9           ~~lotted so that each State entity receives an~~  
10          ~~amount that bears the same ratio to such~~  
11          ~~remainder as the population of the State~~  
12          ~~for which the application is approved bears~~  
13          ~~to the population of all the States.~~

14          ~~“(7) LIMITATIONS.—~~

15          ~~“(A) FEDERAL SHARE.—~~

16          ~~“(i) IN GENERAL.—Funding provided~~  
17          ~~through a grant made under this sub-~~  
18          ~~section to a State entity for any fiscal year~~  
19          ~~shall be available to each State entity that~~  
20          ~~has an application approved by the Chair-~~  
21          ~~person, and has the State plan accompany-~~  
22          ~~ing the application in effect on the first~~  
23          ~~day of such fiscal year, to pay not more~~  
24          ~~than 50 percent of the total cost of carry-~~

1 ing out any activity described in paragraph  
2 (3).

3 “(ii) EXCESS PORTION.—Except as  
4 provided in clause (iii), the portion of the  
5 funding provided through any grant made  
6 under paragraph (6)(A) to a State entity  
7 for any fiscal year that exceeds \$125,000  
8 shall be available, at the discretion of the  
9 Chairperson, to pay not more than 100  
10 percent of such cost of carrying out an ac-  
11 tivity under this subsection if such activity  
12 would be unavailable to the residents of  
13 the State without such portion.

14 “(iii) PERCENTAGE OF GRANT  
15 FUNDS.—The portion of the funding de-  
16 scribed in clause (ii) for any fiscal year  
17 that is available to pay not more than 100  
18 percent of such cost, as described in clause  
19 (ii), shall not exceed 20 percent of the total  
20 of the funding provided through such grant  
21 for such fiscal year.

22 “(B) PROHIBITION ON SUPPLANTING NON-  
23 FEDERAL FUNDS.—Funds made available under  
24 this subsection shall be used to supplement, and  
25 shall not supplant, non-Federal funds expended

1           for supporting activities described in paragraph  
2           (3).

3           ~~“(8) UNOBLIGATED FUNDS.—Any amount al-~~  
4           ~~lotted to a State entity under paragraph (6) for any~~  
5           ~~fiscal year that is not obligated by the State entity~~  
6           ~~earlier than 60 days prior to the end of the fiscal~~  
7           ~~year for which the amount is appropriated shall be~~  
8           ~~available for making grants under subsection (d).~~

9           ~~“(9) LIMITATION ON MULTIPLE ENTITIES.—~~  
10          ~~The Chairperson may not make grants under this~~  
11          ~~subsection to more than 1 entity in any State.~~

12          ~~“(d) NATIONAL GRANTS.—~~

13          ~~“(1) PURPOSE.—The purpose of this subsection~~  
14          ~~is to provide support for grants to groups, individ-~~  
15          ~~uals, and State agencies or entities to carry out ac-~~  
16          ~~tivities relating to education and the public human-~~  
17          ~~ities that have a national audience and are of na-~~  
18          ~~tional significance, such as activities relating to ele-~~  
19          ~~mentary, secondary, and postsecondary education in~~  
20          ~~the humanities, media projects, projects in museums~~  
21          ~~and by historical organizations, projects in libraries~~  
22          ~~and archives, public humanities projects, endowment~~  
23          ~~building, and technology activities.~~

24          ~~“(2) GENERAL AUTHORITY.—Using funds re-~~  
25          ~~served under section 104(b)(1)(C) and such portion~~

1 of any funds made available under section 104(b)(2)  
2 as may be appropriate, the Chairperson, acting on  
3 the recommendation of the National Council on the  
4 Humanities, may establish and carry out a program  
5 of grants to groups or, in appropriate cases, individ-  
6 uals who meet the standard of excellence in the hu-  
7 manities and significance in the humanities, or State  
8 agencies or entities to pay for the Federal share of  
9 the cost of activities to—

10 “(A) develop and encourage the pursuit of  
11 a national policy to further the public good  
12 through public funding of the humanities;

13 “(B) initiate and support research and  
14 programs to strengthen the research and teach-  
15 ing potential of the United States in the hu-  
16 manities;

17 “(C) foster the exchange of information in  
18 the humanities;

19 “(D) foster education in, and public under-  
20 standing and appreciation of, the humanities;

21 “(E) support projects that foster or pro-  
22 mote literacy;

23 “(F) ensure that the benefit of the pro-  
24 grams of the Endowment will also be available  
25 to the citizens of the United States where such

1 programs would otherwise be unavailable due to  
2 geographic or economic reasons;

3 “(G) enable cultural organizations and in-  
4 stitutions to increase the levels of continuing  
5 support and to increase the range of contribu-  
6 tors to the program of such organizations or in-  
7 stitutions;

8 “(H) provide administrative and manage-  
9 ment improvements for cultural organizations  
10 and institutions, particularly in the field of  
11 long-range financial planning;

12 “(I) enable cultural organizations and in-  
13 stitutions to increase audience participation in,  
14 and appreciation of, programs sponsored by  
15 such organizations and institutions;

16 “(J) develop new sources of long-term sup-  
17 port for educational, scholarly, and public pro-  
18 grams in the humanities, including renovating  
19 or constructing facilities, augmenting or estab-  
20 lishing endowment funds, and purchasing cap-  
21 ital equipment to ensure financial stability;

22 “(K) stimulate greater cooperation among  
23 cultural organizations and institutions especially  
24 designed to serve better the communities in

1           which such organizations or institutions are lo-  
2           cated; and

3           ~~“(L) foster greater citizen involvement in~~  
4           ~~planning the cultural development of a commu-~~  
5           ~~nity.~~

6           ~~“(3) FEDERAL SHARE REQUIREMENT.—~~

7           ~~“(A) IN GENERAL.—Except as provided in~~  
8           ~~subparagraph (B), the Federal share described~~  
9           ~~in paragraph (2) shall be 50 percent.~~

10          ~~“(B) ADJUSTMENT.—The Federal share of~~  
11          ~~the cost of activities described in paragraph~~  
12          ~~(2)(J) shall be 25 percent.~~

13          ~~“(e) RESEARCH AND SCHOLARSHIP GRANTS.—~~

14          ~~“(1) PURPOSE.—The purpose of this subsection~~  
15          ~~is to encourage the development and dissemination~~  
16          ~~of significant scholarship in the humanities by~~  
17          ~~groups, individuals, and State agencies or entities~~  
18          ~~such as fellowships for college and university faculty~~  
19          ~~and independent scholars, dissertation grants, sum-~~  
20          ~~mer stipends, and funds for scholarly publications,~~  
21          ~~reference materials, basic research, institutional pro-~~  
22          ~~grams, and preservation.~~

23          ~~“(2) GENERAL AUTHORITY.—Using funds re-~~  
24          ~~served under section 104(b)(1)(D) and such portion~~  
25          ~~of any funds made available under section 104(b)(2)~~

1 as may be appropriate, the Chairperson, acting on  
2 the recommendation of the National Council on the  
3 Humanities, may establish and carry out a program  
4 of grants to groups, individuals, State agencies, and  
5 State entities for the purpose of paying for the Fed-  
6 eral share of the cost of—

7 “(A) initiating and supporting (including  
8 supporting through fellowships) training, work-  
9 shops, programs, research, and publications, in  
10 the humanities, that have substantial scholarly  
11 and cultural significance and that reach or re-  
12 flect the cultural heritage of the United States;

13 “(B) fostering projects that provide access  
14 to, and preserving materials important to re-  
15 search, education, and public understanding re-  
16 garding, the humanities;

17 “(C) enabling cultural organizations and  
18 institutions to increase the levels of continuing  
19 support and to increase the range of contribu-  
20 tors to the program of such organizations or in-  
21 stitutions; and

22 “(D) providing administrative and manage-  
23 ment improvements for cultural organizations  
24 and institutions, particularly in the field of  
25 long-range financial planning.

1           ~~“(3) TRAINING; WORKSHOPS; RESEARCH.—A~~  
2           fellowship awarded to an individual under paragraph  
3           ~~(2)(A)~~ may be used for the purpose of supporting  
4           study or research at an appropriate nonprofit insti-  
5           tution selected by the individual, for a stated period  
6           of time. The total amount of any grant under para-  
7           graph ~~(2)(A)~~ to any group engaging in workshop ac-  
8           tivities for which an admission or other charge is  
9           made to the general public shall not exceed 30 per-  
10          cent of the total cost of such activities.

11          ~~“(4) CONSIDERATIONS.—In selecting a group~~  
12          or individual as a recipient of a grant to be made  
13          under this subsection, the Chairperson shall give  
14          particular regard to scholars, and educational and  
15          cultural institutions, that traditionally have been  
16          underrepresented.

17          ~~“(5) FEDERAL SHARE.—The Federal share de-~~  
18          scribed in paragraph ~~(2)~~ shall be 50 percent.

19          **“SEC. 303. APPLICATION PROCEDURES.**

20          ~~“To be eligible to receive a grant under this title, a~~  
21          State, group, individual, agency, or organization shall sub-  
22          mit an application to the Chairperson at such time, in  
23          such manner, and containing such information as the  
24          Chairperson may prescribe.

1 **“SEC. 304. REVIEW PANELS.**

2       “~~The Chairperson may select panels of experts under~~  
 3 ~~section 307(a)(4) to review and make recommendations~~  
 4 ~~with respect to the approval of applications for grants au-~~  
 5 ~~thorized under this title. In selecting the panels, the Chair-~~  
 6 ~~person shall appoint individuals who have exhibited exper-~~  
 7 ~~tise and leadership in the field under review, who broadly~~  
 8 ~~represent diverse humanistic perspectives and geographic~~  
 9 ~~factors, and who broadly represent cultural diversity.~~

10 **“SEC. 305. NATIONAL COUNCIL ON THE HUMANITIES.**

11       “~~(a) ESTABLISHMENT.—There is established within~~  
 12 ~~the Endowment a National Council on the Humanities (re-~~  
 13 ~~ferred to in this section as the ‘Council’).~~

14       “~~(b) COMPOSITION.—~~

15           “~~(1) IN GENERAL.—The Council shall be com-~~  
 16 ~~posed of the Chairperson of the Endowment, who~~  
 17 ~~shall be the Chairperson of the Council, and 20~~  
 18 ~~other members appointed by the President, by and~~  
 19 ~~with the advice and consent of the Senate, who shall~~  
 20 ~~be selected—~~

21           “~~(A) from among private citizens of the~~  
 22 ~~United States who—~~

23           “~~(i) are recognized for their broad~~  
 24 ~~knowledge of, or expertise in, the human-~~  
 25 ~~ities; and~~

1           ~~“(ii) have established records of dis-~~  
2           ~~tinguished service, or achieved eminence, in~~  
3           ~~the humanities;~~

4           ~~“(B) so as to include scholars and others~~  
5           ~~who are professionally engaged in the human-~~  
6           ~~ities; and~~

7           ~~“(C) so as collectively to provide an appro-~~  
8           ~~priate distribution of members among the major~~  
9           ~~humanities fields.~~

10          ~~“(2) QUALIFICATIONS.—The President may, in~~  
11          ~~making such appointments, give consideration to~~  
12          ~~such recommendations as may, from time to time, be~~  
13          ~~submitted to the President by leading national orga-~~  
14          ~~nizations in the major humanities fields. In making~~  
15          ~~such appointments, the President shall give due re-~~  
16          ~~gard to equitable representation of women, racially~~  
17          ~~and ethnically diverse individuals, and individuals~~  
18          ~~with disabilities, who are involved in the humanities.~~  
19          ~~Members of the Council shall be appointed so as to~~  
20          ~~represent equitably geographical areas in the United~~  
21          ~~States.~~

22          ~~“(c) TERMS.—~~

23          ~~“(1) IN GENERAL.—~~

1           ~~“(A) STAGGERED TERMS.—~~Each member  
2 of the Council shall serve for a term of 6 years,  
3 and the terms shall be staggered.

4           ~~“(B) EXPIRATION.—~~Except as provided in  
5 paragraph ~~(2)~~, the terms of all Council mem-  
6 bers shall expire on the third day of September  
7 in the year of expiration.

8           ~~“(C) REAPPOINTMENT AFTER PARTIAL~~  
9 ~~TERM.—~~Each member who has served on the  
10 Council for ~~1~~ term of less than 3 years shall be  
11 eligible for reappointment for ~~1~~ term of 6 years.

12           ~~“(D) VACANCY APPOINTMENTS.—~~Any  
13 member appointed to fill a vacancy shall serve  
14 for the remainder of the term for which the  
15 predecessor of the member was appointed.

16           ~~“(E) HOLDOVER SERVICE.—~~Notwithstand-  
17 ing any other provision of this subsection, a  
18 member of the Council shall serve after the ex-  
19 piration of the term of the member until the  
20 successor to the member takes office.

21           ~~“(2) ADJUSTMENT TO REDUCE COUNCIL.—~~

22           ~~“(A) EXPIRATION OF TERMS.—~~The terms  
23 of—

1           “(i) 8 members of the Council whose  
2           terms would otherwise expire on September  
3           3, 1996; and

4           “(ii) 1 member of the Council whose  
5           term expired on September 3, 1995;  
6           shall be deemed to expire on January 1, 1996.

7           “(B) TERMS.—The President shall appoint  
8           3 members of the Council to succeed members  
9           whose terms are deemed to expire as described  
10          in subparagraph (A). The terms of the succes-  
11          sors shall expire on September 3, 2002.

12          “(d) COMPENSATION.—Members of the Council shall  
13          receive compensation at a rate to be fixed by the Chair-  
14          person but not to exceed the daily equivalent of the maxi-  
15          mum rate authorized for a position above grade GS-15  
16          of the General Schedule under section 5108 of title 5,  
17          United States Code, and be allowed travel expenses includ-  
18          ing per diem in lieu of subsistence, as authorized under  
19          section 5703 of title 5, United States Code, for persons  
20          employed intermittently in Federal Government service.

21          “(e) MEETINGS AND DUTIES.—

22                  “(1) MEETINGS.—The Council shall meet at  
23                  the call of the Chairperson but not less often than  
24                  twice during each calendar year. Eleven members of  
25                  the Council shall constitute a quorum.

1           ~~“(2) DUTIES.—~~The Council shall—

2                   ~~“(A) advise the Chairperson with respect~~  
3                   ~~to policies, programs, and procedures for carry-~~  
4                   ~~ing out the functions of the Chairperson under~~  
5                   ~~this title; and~~

6                   ~~“(B) review applications for grants author-~~  
7                   ~~ized under this title and make recommendations~~  
8                   ~~to the Chairperson with respect to the approval~~  
9                   ~~of each application.~~

10          ~~“(f) ACTIONS BY CHAIRPERSON.—~~

11                   ~~“(1) IN GENERAL.—~~The Chairperson shall not  
12                   ~~approve or disapprove any application for a grant~~  
13                   ~~authorized under this title until the Chairperson has~~  
14                   ~~received the recommendation of the Council on such~~  
15                   ~~application, unless the Council fails to make a rec-~~  
16                   ~~ommendation on the application within a reasonable~~  
17                   ~~time.~~

18                   ~~“(2) DELEGATIONS.—~~In the case of an applica-  
19                   ~~tion submitted under this title and involving \$30,000~~  
20                   ~~or less, the Chairperson may approve or disapprove~~  
21                   ~~such application if such action is taken pursuant to~~  
22                   ~~the terms of an express and direct delegation of au-~~  
23                   ~~thority from the Council to the Chairperson, and if~~  
24                   ~~each such action by the Chairperson is reviewed by~~  
25                   ~~the Council. The terms of any such delegation of au-~~

1       thority shall not permit obligations for expenditure  
 2       of funds under such delegation for any fiscal year  
 3       that exceed an amount equal to 3 percent of the  
 4       sums appropriated for the fiscal year pursuant to  
 5       section 104(b)(1).

6       **“SEC. 306. LIMITATIONS ON GRANTS.**

7       “~~(a)~~ CRITERIA FOR ELIGIBILITY FOR GRANTS.—

8           “~~(1)~~ DEFINITIONS.—As used in this subsection:

9                   “~~(A)~~ PRODUCTION ENTITY.—The term  
 10           ‘production entity’ means any partnership, cor-  
 11           poration, business enterprise, or other organiza-  
 12           tion engaged in the production of a film or pub-  
 13           lication.

14                   “~~(B)~~ GROUP.—The term ‘group’ includes  
 15           any State or local government, State or local  
 16           public agency, Indian tribe, or nonprofit asso-  
 17           ciation, organization, or society.

18                   “~~(C)~~ NATIONAL OF THE UNITED  
 19           STATES.—The term ‘national of the United  
 20           States’ means a citizen of the United States or  
 21           a person who owes permanent allegiance to the  
 22           United States.

23           “~~(2)~~ CRITERIA.—The Chairperson, with the ad-  
 24           vice of the National Council on the Humanities,  
 25           shall establish criteria for eligibility for grants made

1 under this title. The criteria shall provide the follow-  
2 ing:

3 “(A) GROUP.—A group shall be eligible to  
4 receive a grant under this title if—

5 “(i) no part of the net earnings of the  
6 group inures to the benefit of any private  
7 stockholder, or individual; and

8 “(ii) a donation to such group is al-  
9 lowable as a charitable contribution under  
10 section 170(c) of the Internal Revenue  
11 Code of 1986.

12 “(B) PRODUCTION ENTITY.—A production  
13 entity shall be eligible to receive a grant under  
14 this title if the Chairperson, with the advice of  
15 the National Council on the Humanities, deter-  
16 mines that providing such a grant will signifi-  
17 cantly advance the knowledge or understanding  
18 of the humanities in the United States.

19 “(C) INDIVIDUAL.—An individual shall be  
20 eligible to receive a grant under this title if—

21 “(i) the individual is a citizen or na-  
22 tional of the United States; and

23 “(ii) the Chairperson, with the advice  
24 of the National Council on the Humanities,  
25 determines that providing the grant will

1 significantly advance the knowledge or un-  
2 derstanding of the humanities in the Unit-  
3 ed States.

4 “(b) **ADMISSION CHARGES.**—No grant shall be made  
5 under this title to an activity (other than an activity con-  
6 ducted by a school, college, or university) for which a di-  
7 rect or an indirect admission charge is requested if the  
8 proceeds, after deducting reasonable costs, are used for  
9 purposes other than assisting the grant recipient to de-  
10 velop high standards of scholarly excellence or encourage  
11 greater appreciation of the humanities by the citizens of  
12 the United States.

13 “(c) **LABOR STANDARDS.**—The provisions of section  
14 206(d) shall apply to activities financed under this title  
15 in the same manner and to the same extent as the provi-  
16 sions apply to activities financed under title II.

17 **“SEC. 307. ADMINISTRATIVE PROVISIONS.**

18 “(a) **AUTHORITIES OF CHAIRPERSON.**—In addition  
19 to any authorities vested in the Chairperson by other pro-  
20 visions of this Act, the Chairperson, in carrying out the  
21 functions of the Chairperson, shall have authority—

22 “(1) to prescribe such regulations and proce-  
23 dures as the Chairperson determines to be necessary  
24 governing the manner in which the functions of the  
25 Chairperson shall be carried out;

1           ~~“(2)(A)~~ to solicit, accept, receive, invest, and  
2 use money and other property donated, bequeathed,  
3 or devised to the Endowment, either absolutely or in  
4 trust, with or without a condition or restriction, in-  
5 cluding a condition that the Chairperson use other  
6 funds of the Endowment for the purposes of the do-  
7 nation, bequest, or devise; and

8           ~~“(B)~~ to add such property to the appropriations  
9 for the Endowment as provided in section 104(b)(2),  
10 and to use, sell, or otherwise dispose of such prop-  
11 erty, for purposes of carrying out the activities of  
12 the Endowment under this title;

13           ~~“(3)~~ to appoint and determine the compensa-  
14 tion of such employees, subject to title 5, United  
15 States Code, as may be necessary to carry out the  
16 functions of the Chairperson, define their duties,  
17 and supervise and direct their activities;

18           ~~“(4)~~ to procure the temporary and intermittent  
19 services of experts and consultants, including panels  
20 of experts, and compensate the experts and consult-  
21 ants in accordance with section 3109 of title 5,  
22 United States Code;

23           ~~“(5)~~ to accept and utilize the voluntary services  
24 of individuals and reimburse the individuals for trav-  
25 el expenses, including per diem in lieu of subsist-

1       ence, in the same amounts and to the same extent  
2       as authorized under section 5703 of title 5, United  
3       States Code, for persons employed intermittently in  
4       Federal Government service;

5           “(6) to make advance, progress, and other pay-  
6       ments without regard to section 3324 of title 331,  
7       United States Code;

8           “(7) to rent office space in the District of Co-  
9       lumbia; and

10          “(8) to make other necessary expenditures.

11          “(b) PUBLICATIONS.—Official publications of the En-  
12       dowment under this title may be supported without regard  
13       to the provisions of section 501 of title 44, United States  
14       Code, if the Chairperson consults with the Joint Commit-  
15       tee on Printing of the Congress.

16          “(c) COORDINATION.—The Chairperson shall coordi-  
17       nate the programs of the Endowment, insofar as prac-  
18       ticable, with other Federal programs, programs of des-  
19       ignated State humanities agencies, and programs under-  
20       taken by other public agencies or private groups, and shall  
21       develop the programs of the Endowment with due regard  
22       to the contribution to the objectives of this title that can  
23       be made by other Federal agencies under the existing pro-  
24       grams. The Chairperson may enter into interagency agree-  
25       ments to promote or assist with the humanities-related ac-

1 tivities of other Federal agencies, on a reimbursable or  
 2 nonreimbursable basis, and may use funds authorized to  
 3 be appropriated to carry out this title to pay for the costs  
 4 of such promotion or assistance.

5 **~~“SEC. 308. REPORTS.~~**

6 ~~“(a) ANNUAL REPORT OF CHAIRPERSON.—The~~  
 7 Chairperson shall submit an annual report to the Presi-  
 8 dent for submission to the appropriate committees of Con-  
 9 gress on or before the 15th day of April of each year. The  
 10 report shall summarize the activities of the Endowment  
 11 for the preceding year, and may include such evaluations  
 12 and other reports as the Chairperson determines to be ap-  
 13 propriate.

14 ~~“(b) STATE OF THE HUMANITIES REPORT.—~~

15 ~~“(1) IN GENERAL.—The Chairperson shall use~~  
 16 data submitted with State plans under section  
 17 302(c), and the information contained in reports  
 18 submitted by States under section 302(c) or this sec-  
 19 tion, to prepare a report on the state of the human-  
 20 ities in the United States.

21 ~~“(2) CONTENTS.—The state of the humanities~~  
 22 report shall include a description of—

23 ~~“(A) the availability of the programs of the~~  
 24 Endowment to emerging, rural, and culturally

1           diverse scholars, cultural and educational orga-  
2           nizations, and communities; and

3           ~~“(B) the participation by such scholars, or-~~  
4           ~~ganizations, and communities in such programs.~~

5           ~~“(3) SUBMISSION.—The state of the humanities~~  
6           ~~report shall be submitted to the President and Con-~~  
7           ~~gress, and provided to the States, not later than Oc-~~  
8           ~~tober 1, 1996, and quadrennially thereafter.~~

9           ~~“(c) FINANCIAL REPORTS AND COMPLIANCE.—~~

10           ~~“(1) IN GENERAL.—It shall be a condition of~~  
11           ~~the receipt of a grant made under this title by the~~  
12           ~~Chairperson that each such grant recipient agree to~~  
13           ~~and comply with requirements to submit to the~~  
14           ~~Chairperson—~~

15           ~~“(A) financial reports containing such in-~~  
16           ~~formation as the Chairperson determines to be~~  
17           ~~necessary to ensure that the funding provided~~  
18           ~~through the grant is expended in accordance~~  
19           ~~with the terms and conditions under which the~~  
20           ~~grant is made;~~

21           ~~“(B) a report describing the activity ear-~~  
22           ~~ried out with the funding provided through the~~  
23           ~~grant and the compliance by the grant recipient~~  
24           ~~with the conditions of receipt of such grant, in-~~  
25           ~~cluding the condition that the work assisted~~

1 meet the standards of excellence in humanities  
2 and significance in the humanities; and

3 ~~“(C) if practicable, as determined by the~~  
4 ~~Chairperson, a copy of the work resulting from~~  
5 ~~the activity.~~

6 ~~“(2) REPORTS.—The reports and copy de-~~  
7 ~~scribed in paragraph (1) shall be due not later than~~  
8 ~~90 days after the end of the period for which such~~  
9 ~~grant recipient receives funding through the grant or~~  
10 ~~90 days after the completion of the work, whichever~~  
11 ~~occurs earlier. The Chairperson may extend the 90-~~  
12 ~~day period if the recipient shows good cause why~~  
13 ~~such an extension should be granted.~~

14 ~~“(d) EVALUATION.—The Chairperson shall conduct~~  
15 ~~a post-award evaluation of activities for which grants are~~  
16 ~~made by the Chairperson under this title. Such evaluation~~  
17 ~~may include an audit to determine the accuracy of the re-~~  
18 ~~ports required to be submitted by grant recipients under~~  
19 ~~subsection (c).~~

20 ~~“(e) ANNUAL REPORT OF NATIONAL COUNCIL ON~~  
21 ~~THE HUMANITIES.—~~

22 ~~“(1) IN GENERAL.—The National Council on~~  
23 ~~the Humanities shall submit an annual report to the~~  
24 ~~President for submission to the appropriate commit-~~

1       tees of Congress on or before the 15th day of April  
2       of each year.

3           ~~“(2) CONTENTS.—~~The report shall include writ-  
4       ten records summarizing—

5                   ~~“(A) all meetings and discussions of the~~  
6       Council; and

7                   ~~“(B) recommendations made by the Coun-~~  
8       cil to the Chairperson.

9           ~~“(3) PRIVACY.—~~The Council shall ensure that  
10      the information contained in the report will be pre-  
11      sented in a manner that protects the privacy of indi-  
12      vidual applicants for grants authorized under this  
13      title and Council members.

14   **~~“SEC. 309. SANCTIONS AND PAYMENTS.~~**

15           ~~“(a) FAILURE TO SATISFY PURPOSES.—~~If any recip-  
16      ient of a grant made under this title, or an indirect recipi-  
17      ent of funding provided through the grant, substantially  
18      fails to satisfy the purposes for which such grant is made,  
19      as determined by the Chairperson, the Chairperson may—

20                   ~~“(1) for purposes of determining whether to~~  
21      make any subsequent funding to the direct or indi-  
22      rect recipient under this title, take into consideration  
23      the results of the post-award evaluation conducted  
24      under section 308(d);

1           ~~“(2) prohibit the direct and indirect recipients~~  
2           ~~from using the name of, or in any way associating~~  
3           ~~the project, production, or workshop for which the~~  
4           ~~grant was received with, the Endowment; and~~

5           ~~“(3) if such project, production, or workshop is~~  
6           ~~published, require that the publication contain the~~  
7           ~~following statement: ‘The opinions, findings, conclu-~~  
8           ~~sions, and recommendations expressed in this publi-~~  
9           ~~cation do not reflect the views of the National En-~~  
10           ~~dowment for the Humanities.’~~

11           ~~“(b) NONCOMPLIANCE.—~~

12           ~~“(1) IN GENERAL.—The Chairperson shall take~~  
13           ~~the actions described in paragraph (2) whenever the~~  
14           ~~Chairperson, after providing reasonable notice and~~  
15           ~~an opportunity for hearing, finds that—~~

16                   ~~“(A) a direct recipient of a grant under~~  
17                   ~~this title, or an indirect recipient of funding~~  
18                   ~~provided through the grant, is not complying~~  
19                   ~~substantially with the provisions of this title;~~

20                   ~~“(B) a State agency that received a grant~~  
21                   ~~under this title, or an indirect recipient of fund-~~  
22                   ~~ing provided through the grant, is not comply-~~  
23                   ~~ing substantially with terms and conditions of~~  
24                   ~~the State plan accompanying the application~~  
25                   ~~approved for the grant under this title; or~~

1           ~~“(C) any funding provided under this title~~  
2           ~~to a recipient or State agency described in sub-~~  
3           ~~paragraph (A) or (B) has been diverted from~~  
4           ~~the purposes for which such funding was pro-~~  
5           ~~vided.~~

6           ~~“(2) ACTIONS.—On making the finding de-~~  
7           ~~scribed in paragraph (1), the Chairperson shall im-~~  
8           ~~mediately notify the direct recipient or State agency~~  
9           ~~that received the funding at issue that—~~

10           ~~“(A) no further funding will be provided~~  
11           ~~under this title to such recipient or agency until~~  
12           ~~there is no longer any default or failure to com-~~  
13           ~~ply or the diversion is corrected; or~~

14           ~~“(B) if compliance or correction is impos-~~  
15           ~~sible, until such recipient or agency repays or~~  
16           ~~arranges the repayment of the Federal funds~~  
17           ~~that were improperly diverted or expended.~~

18           ~~“(c) PROGRAM INCOME.—~~

19           ~~“(1) IN GENERAL.—A recipient of funding~~  
20           ~~under this title shall pay the amount described in~~  
21           ~~paragraph (2) to the Endowment if the Chairperson~~  
22           ~~finds that the recipient has derived program income~~  
23           ~~from the activities funded that exceeds the lesser~~  
24           ~~of—~~

25           ~~“(A) \$50,000; or~~

1           ~~“(B) twice the amount of the funding.~~

2           ~~“(2) AMOUNT.—The amount referred to in~~  
3           ~~paragraph (1) is  $\frac{1}{3}$  of the amount of the revenue,~~  
4           ~~but not more than the amount of the funding.~~

5           ~~“(d) ACCOUNT.—Except as otherwise provided in this~~  
6           ~~Act, the Treasurer of the United States shall deposit funds~~  
7           ~~paid under subsection (c), or repaid under this Act, in a~~  
8           ~~special interest bearing account to the credit of the En-~~  
9           ~~dowment.~~

10   **~~“SEC. 310. AWARDS.~~**

11           ~~“The Chairperson, with the advice of the National~~  
12           ~~Council on the Humanities, may make the following an-~~  
13           ~~nual awards:~~

14           ~~“(1) JEFFERSON LECTURE IN THE HUMANITIES~~  
15           ~~AWARD.—The Chairperson may award annually the~~  
16           ~~Jefferson Lecture in the Humanities Award to 1 in-~~  
17           ~~dividual for distinguished intellectual achievement in~~  
18           ~~the humanities. Each such award shall not exceed~~  
19           ~~\$10,000.~~

20           ~~“(2) CHARLES FRANKEL PRIZE.—The Chair-~~  
21           ~~person may award annually the Charles Frankel~~  
22           ~~Prize to honor individuals who have made outstand-~~  
23           ~~ing contributions to the public understanding of the~~  
24           ~~humanities. Not more than 5 individuals may receive~~

1 such prize each year. Each such prize shall not ex-  
2 ceed \$5,000.”.

3 **SEC. 102. CONFORMING AMENDMENTS.**

4 Section 8G of the Inspector General Act of 1978 (5  
5 U.S.C. App.) is amended—

6 (1) in subsection (a)—

7 (A) in paragraph (2), by striking “the Na-  
8 tional Endowment for the Arts, the National  
9 Endowment for the Humanities,” and inserting  
10 “the portion of the National Foundation on the  
11 Arts and the Humanities consisting of the Na-  
12 tional Endowment for the Arts and the Na-  
13 tional Endowment for the Humanities,”; and

14 (B) in paragraph (4), by striking “except  
15 that” and all that follows and inserting the fol-  
16 lowing: “except that—

17 “(A) with respect to the National Science  
18 Foundation, such term means the National  
19 Science Board; and

20 “(B) with respect to the National Endow-  
21 ment for the Arts and the National Endowment  
22 for the Humanities, the term means the Chair-  
23 person of the National Endowment for the Arts  
24 with respect to matters relating to the National  
25 Endowment for the Arts and the Chairperson of

1 the National Endowment for the Humanities  
2 with respect to matters relating to the Chair-  
3 person of the National Endowment for the Hu-  
4 manities;”;

5 (2) in subsection (c), by inserting before the pe-  
6 riod the following: “, except that the Inspector Gen-  
7 eral for the National Endowment for the Arts and  
8 the National Endowment for the Humanities shall  
9 be jointly appointed by the Chairperson of the Na-  
10 tional Endowment for the Arts and the Chairperson  
11 of the National Endowment for the Humanities”;

12 and

13 (3) in the first sentence of subsection (d), by in-  
14 serting before the period the following: “, except as  
15 provided in section 103 of the National Foundation  
16 on the Arts and the Humanities Act of 1965”.

17 **TITLE II—MUSEUM AND**  
18 **LIBRARY SERVICES ACT**

19 **SEC. 201. MUSEUM AND LIBRARY SERVICES.**

20 The Museum Services Act (20 U.S.C. 961 et seq.)  
21 is amended to read as follows:

1           **“TITLE II—MUSEUM AND**  
2                   **LIBRARY SERVICES**  
3           **“Subtitle A—General Provisions**

4   **“SEC. 201. SHORT TITLE.**

5           “This title may be cited as the ‘Museum and Library  
6 Services Act’.

7   **“SEC. 202. GENERAL DEFINITIONS.**

8           “As used in this title:

9                   “(1) COMMISSION.—The term ‘Commission’  
10           means the National Commission on Libraries and  
11           Information Science established under section 3 of  
12           the National Commission on Libraries and Informa-  
13           tion Science Act (20 U.S.C. 1502).

14                   “(2) DIRECTOR.—The term ‘Director’ means  
15           the Director of the Institute appointed under section  
16           204.

17                   “(3) FOUNDATION.—The term ‘Foundation’  
18           means the National Foundation on the Arts and the  
19           Humanities.

20                   “(4) INSTITUTE.—The term ‘Institute’ means  
21           the Institute of Museum and Library Services estab-  
22           lished under section 203.

23                   “(5) MUSEUM BOARD.—The term ‘Museum  
24           Board’ means the National Museum Services Board  
25           established under section 276.

1 **“SEC. 203. INSTITUTE OF MUSEUM AND LIBRARY SERVICES.**

2       “(a) **ESTABLISHMENT.**—There is established within  
3 the Foundation an Institute of Museum and Library Serv-  
4 ices.

5       “(b) **OFFICES.**—The Institute shall consist of an Of-  
6 fice of Museum Services and an Office of Library Services.  
7 There shall be a National Museum Services Board in the  
8 Office of Museum Services.

9 **“SEC. 204. DIRECTOR OF THE INSTITUTE.**

10       “(a) **APPOINTMENT.**—

11               “(1) **IN GENERAL.**—The Institute shall be  
12 headed by a Director, appointed by the President, by  
13 and with the advice and consent of the Senate.

14               “(2) **TERM.**—The Director shall serve for a  
15 term of 4 years.

16               “(3) **QUALIFICATIONS.**—Beginning with the  
17 first individual appointed to the position of Director  
18 after the date of enactment of the Arts, Humanities,  
19 and Museum Amendments of 1995, every second in-  
20 dividual so appointed shall be appointed from among  
21 individuals who have special competence with regard  
22 to library and information services. Beginning with  
23 the second individual appointed to the position of  
24 Director after the date of enactment of the Arts,  
25 Humanities, and Museum Amendments of 1995,  
26 every second individual so appointed shall be ap-

1 pointed from among individuals who have special  
2 competence with regard to museum services.

3 ~~“(b) COMPENSATION.—The Director shall be com-~~  
4 ~~pensated at the rate provided for level III of the Executive~~  
5 ~~Schedule under section 5314 of title 5, United States~~  
6 ~~Code.~~

7 ~~“(c) DUTIES AND POWERS.—The Director shall per-~~  
8 ~~form such duties and exercise such powers as may be pre-~~  
9 ~~scribed by law, including—~~

10 ~~“(1) awarding financial assistance for activities~~  
11 ~~described in this title; and~~

12 ~~“(2) using not less than 5 percent and not more~~  
13 ~~than 7 percent of the funds made available under~~  
14 ~~this title for each fiscal year to award financial as-~~  
15 ~~sistance for projects that involve both—~~

16 ~~“(A) activities relating to library services,~~  
17 ~~as described in subtitle B, carried out in ac-~~  
18 ~~cordance with such subtitle; and~~

19 ~~“(B) activities relating to museum services,~~  
20 ~~as described in subtitle C, carried out in accord-~~  
21 ~~ance with such subtitle.~~

22 ~~“(d) NONDELEGATION.—The Director shall not dele-~~  
23 ~~gate any of the functions of the Director to any person~~  
24 ~~who is not directly responsible to the Director.~~

1       “(e) COORDINATION.—The Director shall ensure co-  
2 ordination of the policies and activities of the Institute  
3 with the policies and activities of other agencies and of-  
4 fices of the Federal Government having interest in and  
5 responsibilities for the improvement of museums and li-  
6 braries. Such agencies and offices shall include the Na-  
7 tional Endowment for the Arts, the National Endowment  
8 for the Humanities, the National Science Foundation, ap-  
9 propriate units in the Department of Education, the Li-  
10 brary of Congress, the Smithsonian Institution, and relat-  
11 ed agencies and offices.

12 **“SEC. 205. DEPUTY DIRECTORS.**

13       “(a) APPOINTMENT.—The Office of Library Services  
14 shall be headed by a Deputy Director, who shall be ap-  
15 pointed by the Director. The Office of Museum Services  
16 shall be headed by a Deputy Director, who shall be ap-  
17 pointed by the Director.

18       “(b) COMPENSATION.—Each such position of Deputy  
19 Director shall be a Senior Executive Service position,  
20 which shall be paid at a rate of pay for a position at ES-  
21 4 of the Senior Executive Service schedule.

22 **“SEC. 206. PERSONNEL.**

23       “(a) IN GENERAL.—The Director may, in accordance  
24 with applicable provisions of title 5, United States Code,  
25 appoint and determine the compensation of such employ-

1 ces as the Director determines to be necessary to carry  
2 out the duties of the Institute.

3 “(b) VOLUNTARY SERVICES.—The Director may ac-  
4 cept and utilize the voluntary services of individuals and  
5 reimburse the individuals for travel expenses, including  
6 per diem in lieu of subsistence, in the same amounts and  
7 to the same extent as authorized under section 5703 of  
8 title 5, United States Code, for persons employed intermit-  
9 tently in Federal Government service.

10 **“SEC. 207. CONTRIBUTIONS.**

11 “The Institute shall have authority to solicit, accept,  
12 receive, and invest in the name of the United States, gifts,  
13 bequests, or devises of money and other property or serv-  
14 ices and to use such property or services in furtherance  
15 of the functions of the Institute. Any proceeds from such  
16 gifts, bequests, or devises, after acceptance by the Insti-  
17 tute, shall be paid by the donor or the representative of  
18 the donor to the Director. The Director shall enter the  
19 proceeds in a special interest bearing account to the credit  
20 of the Institute for the purposes in each case specified.

21 **“Subtitle B—Library Services and**  
22 **Technology**

23 **“SEC. 211. SHORT TITLE.**

24 “This subtitle may be cited as the ‘Library Services  
25 and Technology Act’.

1 **“SEC. 212. STATEMENT OF PURPOSE; RECOGNITION OF**  
2 **NEED.**

3 ~~“(a) STATEMENT OF PURPOSE.—~~The purposes of  
4 this subtitle are as follows:

5 ~~“(1) To stimulate excellence and promote equity~~  
6 ~~and lifelong access to learning and information re-~~  
7 ~~sources in all types of libraries.~~

8 ~~“(2) To combine the ability of the Federal Gov-~~  
9 ~~ernment to stimulate significant improvement and~~  
10 ~~innovation in library services with support at State~~  
11 ~~and local levels, and with cooperative programs with~~  
12 ~~other agencies and with public and private sector~~  
13 ~~partnerships, to achieve national library service~~  
14 ~~goals.~~

15 ~~“(3) To establish national library service goals~~  
16 ~~for the 21st century. Such goals are that every per-~~  
17 ~~son in America will be served by a library that—~~

18 ~~“(A) provides all users access to informa-~~  
19 ~~tion through regional, State, national and inter-~~  
20 ~~national electronic networks;~~

21 ~~“(B) contributes to a productive workforce,~~  
22 ~~and to economic development, by providing re-~~  
23 ~~sources and services designed to meet local~~  
24 ~~community needs;~~

1           “(C) provides a full range of resources and  
2           programs to develop reading and critical think-  
3           ing skills for children and adults;

4           “(D) provides targeted services to people  
5           of diverse geographic, cultural and socio-  
6           economic backgrounds, to individuals with dis-  
7           abilities, and to people with limited functional  
8           literacy or information skills; and

9           “(E) provides adequate hours of operation,  
10          facilities, staff, collections, and electronic access  
11          to information.

12          “(b) **RECOGNITION OF NEED.**—The Congress recog-  
13          nizes that strong library services are essential to empower  
14          people to succeed in our Nation’s increasingly global and  
15          technological environment.

16          **“SEC. 213. DEFINITIONS.**

17          “As used in this subtitle:

18                 “(1) **INDIAN TRIBE.**—The term ‘Indian tribe’  
19                 means any tribe, band, nation, or other organized  
20                 group or community, including any Alaskan native  
21                 village, regional corporation, or village corporation,  
22                 as defined in or established pursuant to the Alaskan  
23                 Native Claims Settlement Act, which is recognized  
24                 by the Secretary of the Interior as eligible for the  
25                 special programs and services provided by the Unit-

1 ed States to Indians because of their status as Indi-  
2 ans.

3 “(2) LIBRARY CONSORTIA.—The term ‘library  
4 consortia’ means any local, statewide, regional, inter-  
5 state, or international cooperative association of li-  
6 brary entities which provides for the systematic and  
7 effective coordination of the resources of school, pub-  
8 lic, academic, and special libraries and information  
9 centers for improved services for their clientele.

10 “(3) LIBRARY ENTITY.—The term ‘library en-  
11 tity’ means a library that performs all activities of  
12 a library relating to the collection and organization  
13 of library materials and other information and that  
14 makes the materials and information publicly avail-  
15 able. Such term includes State library administrative  
16 agencies and the libraries, library related entities,  
17 cooperatives, and consortia through which library  
18 services are made publicly available.

19 “(4) PUBLIC LIBRARY.—The term ‘public li-  
20 brary’ means a library that serves free of charge all  
21 residents of a community, district, or region, and re-  
22 ceives its financial support in whole or in part from  
23 public funds. Such term also includes a research li-  
24 brary, which, for the purposes of this sentence,  
25 means a library, which—

1           “(A) makes its services available to the  
2 public free of charge;

3           “(B) has extensive collections of books,  
4 manuscripts, and other materials suitable for  
5 scholarly research which are not available to the  
6 public through public libraries;

7           “(C) engages in the dissemination of hu-  
8 manistic knowledge through services to readers,  
9 fellowships, educational and cultural programs,  
10 publications of significant research, and other  
11 activities; and

12           “(D) is not an integral part of an institu-  
13 tion of higher education.

14           “(5) STATE.—The term ‘State’, unless other-  
15 wise specified, includes the several States of the  
16 United States, the District of Columbia, the Com-  
17 monwealth of Puerto Rico, Guam, American Samoa,  
18 the Virgin Islands, the Commonwealth of the North-  
19 ern Mariana Islands, the Republic of the Marshall  
20 Islands, the Federated States of Micronesia, and the  
21 Republic of Palau.

22           “(6) STATE ADVISORY COUNCIL.—The term  
23 ‘State advisory council’ means an advisory council  
24 established pursuant to section 252.

1           “(7) STATE LIBRARY ADMINISTRATIVE AGEN-  
2           CY.—The term ‘State library administrative agency’  
3           means the official agency of a State charged by law  
4           of that State with the extension and development of  
5           public library services throughout the State, which  
6           has adequate authority under law of the State to ad-  
7           minister the State plan in accordance with the provi-  
8           sions of this subtitle.

9           “(8) STATE PLAN.—The term ‘State plan’  
10          means the document which gives assurances that the  
11          officially designated State library administrative  
12          agency has the fiscal and legal authority and capa-  
13          bility to administer all aspects of this subtitle, pro-  
14          vides assurances for establishing the State’s policies,  
15          priorities, criteria, and procedures necessary to the  
16          implementation of all programs under this subtitle,  
17          submits copies for approval as required by regula-  
18          tions promulgated by the Director, and identifies a  
19          State’s library needs and sets forth the activities to  
20          be taken toward meeting the identified needs sup-  
21          ported with the assistance of Federal funds made  
22          available under this subtitle.

23 **“SEC. 214. AUTHORIZATION OF APPROPRIATIONS.**

24          “(a) AUTHORITY.—

1           “(1) IN GENERAL.—There are authorized to be  
2 appropriated to the Secretary of Education—

3           “(A) for the purpose of awarding grants  
4 under subchapter A of chapter 2 and for relat-  
5 ed administrative expenses, \$75,000,000 for fis-  
6 cal year 1996, and such sums as may be nec-  
7 essary for each of the 4 succeeding fiscal years;  
8 and

9           “(B) for the purpose of awarding grants  
10 under subchapter B of chapter 2 and for relat-  
11 ed administrative expenses, \$75,000,000 for fis-  
12 cal year 1996, and such sums as may be nec-  
13 essary for each of the 4 succeeding fiscal years.

14           “(2) TRANSFER.—The Secretary of Education  
15 shall transfer any funds appropriated under the au-  
16 thority of paragraph (1) to the Director to enable  
17 the Director to carry out this subtitle.

18           “(b) JOINT PROJECTS.—Not less than 5 percent and  
19 not more than 7 percent of the funds appropriated under  
20 this section for a fiscal year may be made available for  
21 projects described in section 204(c)(2) for the fiscal year.

22           “(c) ADMINISTRATION.—Not more than 10 percent  
23 of the funds appropriated under this section for a fiscal  
24 year may be used to pay for the administrative costs of  
25 carrying out this subtitle.

1                   **“CHAPTER 1—BASIC PROGRAM**  
2                                   **REQUIREMENTS**

3 **“SEC. 221. RESERVATIONS AND ALLOTMENTS.**

4           ~~“(a) RESERVATIONS.—~~From the amount appro-  
5 priated under the authority of section 214(a) for any fiscal  
6 year, the Director—

7                   ~~“(1) shall reserve 2 percent to award grants in~~  
8 accordance with section 261; and

9                   ~~“(2) shall reserve 8 percent to carry out a na-~~  
10 tional leadership program in library science in ac-  
11 cordance with section 262.

12 ~~“(b) ALLOTMENTS.—~~

13                   ~~“(1) IN GENERAL.—~~From the sums appro-  
14 priated under the authority of section 214(a) and  
15 not reserved under subsection (a) for any fiscal year,  
16 the Director shall allot the minimum allotment, as  
17 determined under paragraph (3), to each State. Any  
18 sums remaining after minimum allotments have been  
19 made for such year shall be allotted in the manner  
20 set forth in paragraph (2).

21                   ~~“(2) REMAINDER.—~~From the remainder of any  
22 sums appropriated under the authority of section  
23 214(a) that are not reserved under subsection (a)  
24 and not allotted under paragraph (1) for any fiscal  
25 year, the Director shall allot to each State an

1 amount that bears the same relation to such remain-  
2 der as the population of the State bears to the popu-  
3 lation of all the States.

4 ~~“(3) MINIMUM ALLOTMENT.—~~

5 ~~“(A) IN GENERAL.—For the purposes of~~  
6 ~~this subsection, the minimum allotment shall~~  
7 ~~be—~~

8 ~~“(i) with respect to appropriations for~~  
9 ~~the purposes of subchapter A of chapter 2,~~  
10 ~~\$200,000 for each State, except that the~~  
11 ~~minimum allotment shall be \$40,000 in the~~  
12 ~~case of Guam, American Samoa, the Virgin~~  
13 ~~Islands, the Commonwealth of the North-~~  
14 ~~ern Mariana Islands, the Republic of the~~  
15 ~~Marshall Islands, the Federated States of~~  
16 ~~Micronesia, and the Republic of Palau; and~~

17 ~~“(ii) with respect to appropriations for~~  
18 ~~the purposes of subchapter B of chapter 2,~~  
19 ~~\$200,000 for each State, except that the~~  
20 ~~minimum allotment shall be \$40,000 in the~~  
21 ~~case of Guam, American Samoa, the Virgin~~  
22 ~~Islands, the Commonwealth of the North-~~  
23 ~~ern Mariana Islands, the Republic of the~~  
24 ~~Marshall Islands, the Federated States of~~  
25 ~~Micronesia, and the Republic of Palau.~~

1           “(B) RATABLE REDUCTIONS.—If the sums  
2           appropriated under the authority of section  
3           214(a) and not reserved under subsection (a)  
4           for any fiscal year are insufficient to fully sat-  
5           isfy the aggregate of the minimum allotments  
6           for all States for that purpose for such year,  
7           each of such minimum allotments shall be re-  
8           duced ratably.

9           “(4) DATA.—The population of each State and  
10          of all the States shall be determined by the Director  
11          on the basis of the most recent data available from  
12          the Bureau of the Census.

13   **“SEC. 222. ADMINISTRATION AND EVALUATION.**

14          “(a) IN GENERAL.—Not more than 5 percent of the  
15          total funds received under this subtitle for any fiscal year  
16          by a State may be used for administration and ongoing  
17          State evaluations under section 251.

18          “(b) CONSTRUCTION.—Nothing in this section shall  
19          be construed to limit spending for evaluation costs under  
20          section 251 from sources other than this subtitle.

21   **“SEC. 223. PAYMENTS; FEDERAL SHARE; AND MAINTENANCE OF EFFORT REQUIREMENTS.**

22  
23          “(a) PAYMENTS.—The Director shall pay to each  
24          State library administrative agency having a State plan

1 approved under section 224 the Federal share of the cost  
2 of the activities described in the State plan.

3 ~~“(b) FEDERAL SHARE.—~~

4 ~~“(1) IN GENERAL.—Except as provided in para-~~  
5 ~~graph (3), the Federal share shall be 50 percent.~~

6 ~~“(2) NON-FEDERAL SHARE.—The non-Federal~~  
7 ~~share of payments shall be provided from non-Fed-~~  
8 ~~eral State or local sources.~~

9 ~~“(3) SPECIAL RULE.—The Federal share—~~

10 ~~“(A) for the Commonwealth of Puerto~~  
11 ~~Rico, Guam, American Samoa, the Virgin Is-~~  
12 ~~lands, and the Commonwealth of the Northern~~  
13 ~~Mariana Islands, shall be 66 percent; and~~

14 ~~“(B) for the Republic of the Marshall Is-~~  
15 ~~lands, the Federated States of Micronesia, and~~  
16 ~~the Republic of Palau, shall be 100 percent.~~

17 ~~“(c) MAINTENANCE OF EFFORT.—~~

18 ~~“(1) IN GENERAL.—The amount otherwise pay-~~  
19 ~~able to a State for a fiscal year under chapter 2~~  
20 ~~shall be reduced if the level of State expenditures, as~~  
21 ~~described in paragraph (2), for the previous fiscal~~  
22 ~~year are less than the average of the total of such~~  
23 ~~expenditures for the 3 fiscal years preceding that~~  
24 ~~previous fiscal year. The amount of the reduction in~~  
25 ~~allotment for any fiscal year shall be in exact pro-~~

1 portion to the amount which the State fails to meet  
2 the requirement of this subsection.

3 ~~“(2) LEVEL OF STATE EXPENDITURES.—~~The  
4 level of State expenditures for the purposes of para-  
5 graph (1) shall include all State dollars expended by  
6 the State library administrative agency for library  
7 programs that are consistent with the purposes of  
8 this subtitle. All funds included in the maintenance  
9 of effort calculation under this subsection shall be  
10 expended during the fiscal year for which the deter-  
11 mination is made, and shall not include capital ex-  
12 penditures, special one-time project costs, or similar  
13 windfalls.

14 ~~“(3) WAIVER.—~~The Director may waive the re-  
15 quirements of paragraph (1) if the Director deter-  
16 mines that such a waiver would be equitable due to  
17 exceptional or uncontrollable circumstances such as  
18 a natural disaster or a precipitous and unforeseen  
19 decline in the financial resources of the State.

20 ~~“SEC. 224. STATE PLANS.~~

21 ~~“(a) STATE PLAN REQUIRED.—~~

22 ~~“(1) IN GENERAL.—~~In order to be eligible to  
23 receive a grant under this subtitle, a State library  
24 administrative agency shall submit a State plan to  
25 the Director not later than April 1, 1996.

1           ~~“(2) DURATION.—~~The State plan shall cover a  
2 period of 4 fiscal years.

3           ~~“(3) REVISIONS.—~~If a State library administra-  
4 tive agency makes a substantive revision to its State  
5 plan, then the State library administrative agency  
6 shall submit to the Director an amendment to the  
7 State plan containing such revision not later than  
8 April 1 of the fiscal year preceding the fiscal year  
9 for which the amendment will be effective.

10          ~~“(b) CONTENTS.—~~The State plan shall—

11           ~~“(1) specify~~ priorities for improvement of li-  
12 brary services so that all people in the State have  
13 convenient and appropriate access to information de-  
14 livered by libraries through new and emerging tech-  
15 nologies assisted under subchapter A of chapter 2;

16           ~~“(2) identify~~ those persons who need special  
17 services under subchapter B of chapter 2 and specify  
18 priorities for meeting the purpose described in sec-  
19 tion 241(a);

20           ~~“(3) describe~~ how section 243 will be imple-  
21 mented within the State, specify the accountability  
22 and evaluation procedures to be followed by public li-  
23 braries receiving funds under such section, and  
24 specify whether and how funds are to be aggregated  
25 under section 243(b)(2) to improve library services

1 provided to children in the State described in section  
2 243(a)(2);

3 ~~“(4) describe the activities and services for~~  
4 ~~which assistance is sought, including—~~

5 ~~“(A) priorities for the use of funds under~~  
6 ~~this subtitle; and~~

7 ~~“(B) a description of the types of libraries~~  
8 ~~and library entities that will be eligible to re-~~  
9 ~~ceive funds under this subtitle;~~

10 ~~“(5) provide that any funds paid to the State~~  
11 ~~in accordance with the State plan shall be expended~~  
12 ~~solely for the purposes for which the funds are au-~~  
13 ~~thorized and appropriated and that such fiscal con-~~  
14 ~~trol and fund accounting procedures have been~~  
15 ~~adopted as may be necessary to assure proper dis-~~  
16 ~~bursement of, and account for, Federal funds paid~~  
17 ~~to the State (including any such funds paid by the~~  
18 ~~State to any other entity) under this subtitle;~~

19 ~~“(6) provide procedures to ensure that the~~  
20 ~~State library administrative agency shall involve li-~~  
21 ~~braries and users throughout the State in policy de-~~  
22 ~~isions regarding implementation of this subtitle,~~  
23 ~~and development of the State plan, including estab-~~  
24 ~~lishing the State advisory council;~~

1           “(7) provide satisfactory assurance that the  
2 State library administrative agency—

3           “(A) will make such reports, in such form  
4 and containing such information, as the Direc-  
5 tor may require to carry out this subtitle and  
6 to determine the extent to which funds provided  
7 under this subtitle have been effective in carry-  
8 ing out the purposes of this subtitle, including  
9 reports on evaluations under section 251;

10           “(B) will keep such records and afford  
11 such access thereto as the Director may find  
12 necessary to assure the correctness and verifica-  
13 tion of such reports;

14           “(C) will provide to State advisory council  
15 members an orientation regarding the provi-  
16 sions of this subtitle and members’ responsibil-  
17 ities, including clear, easily understandable in-  
18 formation about the State plan; and

19           “(D) will report annually at a meeting of  
20 the State advisory council on the State library  
21 administrative agency’s progress toward meet-  
22 ing the goals and objectives of the State plan;

23           “(8) describe the process for assessing the  
24 needs for library and information services within the

1 State, and describe the results of the most recent  
2 needs assessment;

3 ~~“(9) establish goals and objectives for achieving~~  
4 ~~within the State the purposes of this subtitle, includ-~~  
5 ~~ing the purposes in sections 212(a), 231(a), and~~  
6 ~~241(a); and~~

7 ~~“(10) describe how the State library adminis-~~  
8 ~~trative agency, in consultation with the State advi-~~  
9 ~~sory council, will—~~

10 ~~“(A) administer this subtitle; and~~

11 ~~“(B) conduct evaluations under section~~  
12 ~~251, including a description of the types of~~  
13 ~~evaluation methodologies to be employed.~~

14 ~~“(c) ACCOUNTABILITY.—Each State plan shall—~~

15 ~~“(1) establish State-defined performance goals~~  
16 ~~to set forth the level of performance to be achieved~~  
17 ~~by an activity assisted under this subtitle;~~

18 ~~“(2) express such goals in an objective, quan-~~  
19 ~~tifiable, and measurable form unless authorized to~~  
20 ~~be in an alternative form in accordance with section~~  
21 ~~1115(b) of title 31, United States Code;~~

22 ~~“(3) briefly describe the operational processes,~~  
23 ~~skills and technology, and the human, capital, infor-~~  
24 ~~mation, or other resources, required to meet the per-~~  
25 ~~formance goals;~~

1           ~~“(4) establish performance indicators in accord-~~  
2           ~~ance with subsection (d) to be used in measuring or~~  
3           ~~assessing the relevant outputs, service levels, and~~  
4           ~~outcomes, of each activity assisted under this sub-~~  
5           ~~title;~~

6           ~~“(5) provide a basis for comparing actual pro-~~  
7           ~~gram results with the established performance goals;~~  
8           ~~and~~

9           ~~“(6) describe the means to be used to verify~~  
10          ~~and validate measured values.~~

11          ~~“(d) PERFORMANCE INDICATORS.—Performance in-~~  
12          ~~dicators described in subsection (c)(4) shall include—~~

13           ~~“(1) evidence of progress toward the national li-~~  
14           ~~brary service goals under section 212(a)(3);~~

15           ~~“(2) consultation with the State educational~~  
16           ~~agency;~~

17           ~~“(3) identification of activities suitable for na-~~  
18           ~~tionwide replication; and~~

19           ~~“(4) progress in improvement of library services~~  
20           ~~provided to children described in section 243(a)(2).~~

21          ~~“(e) APPROVAL.—~~

22           ~~“(1) IN GENERAL.—The Director shall approve~~  
23           ~~any State plan under this subtitle that meets the re-~~  
24           ~~quirements of this subtitle and provides satisfactory~~

1       assurances that the provisions of such plan will be  
2       carried out.

3           ~~“(2) PUBLIC AVAILABILITY.—~~Each State li-  
4       brary administrative agency receiving a grant under  
5       this subtitle shall make the State plan available to  
6       the public.

7           ~~“(3) ADMINISTRATION.—~~If the Director deter-  
8       mines that the State plan does not meet the require-  
9       ments of this section, the Director shall—

10           ~~“(A) immediately notify the State library~~  
11       administrative agency of such determination  
12       and the reasons for such determination;

13           ~~“(B) offer the State library administrative~~  
14       agency the opportunity to revise its State plan;

15           ~~“(C) provide technical assistance in order~~  
16       to assist the State library administrative agency  
17       to meet the requirements of this section; and

18           ~~“(D) provide the State library administra-~~  
19       tive agency the opportunity for a hearing.

1           **“CHAPTER 2—LIBRARY PROGRAMS**  
2           **“Subchapter A—Information Access Through**  
3                           **Technology**

4           **“SEC. 231. GRANTS TO STATES FOR INFORMATION ACCESS**  
5                           **THROUGH TECHNOLOGY.**

6           “(a) PURPOSE.—The purpose of this subchapter is  
7 to provide for the improvement of library services so that  
8 all people have access to information delivered by libraries  
9 through new and emerging technologies, whether the in-  
10 formation originates locally, from the State, nationally, or  
11 globally.

12          “(b) GRANTS.—

13               “(1) IN GENERAL.—The Director shall award  
14 grants under this subchapter from allotments under  
15 section 221(b) to States that have State plans ap-  
16 proved under section 224.

17               “(2) FEDERAL SHARE.—Grants awarded under  
18 paragraph (1) shall be used to pay the Federal share  
19 of the cost of activities under section 232 that are  
20 described in a State plan approved under section  
21 224.

22           **“SEC. 232. AUTHORIZED ACTIVITIES.**

23           “Each State that receives a grant under section  
24 231(b) may use the grant funds to provide statewide serv-  
25 ices and subgrants to public libraries, other types of librar-

1 ies and library consortia, or library linkages with other  
 2 entities, in accordance with the State plan. Such services  
 3 and subgrants shall involve—

4           “(1) organization, access and delivery of infor-  
 5 mation;

6           “(2) lifelong learning, and workforce and eco-  
 7 nomic development; or

8           “(3) support of technology infrastructure.

9    **“Subchapter B—Information Empowerment**  
 10           **Through Special Services**

11    **“SEC. 241. GRANTS TO STATES FOR INFORMATION**  
 12           **EMPOWERMENT THROUGH SPECIAL SERV-**  
 13           **ICES.**

14           “(a) PURPOSE.—The purpose of this subchapter is  
 15 to provide for the improvement of library and information  
 16 services targeted to persons of all ages and cultures who  
 17 have difficulty using a library and to communities which  
 18 are geographically disadvantaged in access to libraries,  
 19 who or which need special materials or services, or who  
 20 or which will benefit from outreach services for equity of  
 21 access to library services and information technologies, in-  
 22 cluding children (from birth through age 17) from families  
 23 living below the income official poverty line (as defined  
 24 by the Office of Management and Budget, and revised an-  
 25 nually in accordance with section 673(2) of the Commu-

1 nity Services Block Grant Act (~~42 U.S.C. 9902(2)~~) appli-  
2 cable to a family of the size involved).

3 ~~“(b) GRANTS.—~~

4 ~~“(1) IN GENERAL.—~~The Director shall award  
5 grants under this subchapter from allotments under  
6 section ~~221(b)~~ to States that have State plans ap-  
7 proved under section ~~224~~.

8 ~~“(2) FEDERAL SHARE.—~~Grants awarded under  
9 paragraph ~~(1)~~ shall be used to pay the Federal share  
10 of the cost of the activities under section ~~242~~ that  
11 are described in a State plan approved under section  
12 ~~224~~.

13 **“SEC. 242. AUTHORIZED ACTIVITIES.**

14 ~~“Each State that receives a grant under section~~  
15 ~~241(b) may use the grant funds to provide statewide serv-~~  
16 ~~ices and subgrants to public libraries, other types of librar-~~  
17 ~~ies and library consortia, or library linkages with other~~  
18 ~~entities, in accordance with the State plan. Such services~~  
19 ~~and subgrants shall involve activities that—~~

20 ~~“(1) increase literacy and lifelong learning;~~

21 ~~“(2) serve persons in rural, underserved or~~  
22 ~~inner-city areas; or~~

23 ~~“(3) support the provision of special services.~~

24 **“SEC. 243. SERVICES FOR CHILDREN IN POVERTY.**

25 ~~“(a) STATE LEVEL RESERVATION.—~~

1           ~~“(1) IN GENERAL.—~~Except as provided in sub-  
2 section (c), from the total amount that each State  
3 library administrative agency receives under this  
4 subchapter for a fiscal year, such agency shall re-  
5 serve the amount of funds determined under para-  
6 graph (2) to provide assistance to public libraries in  
7 the State to enable such libraries to enhance the  
8 provision of special services to children described in  
9 such paragraph who are served by such libraries.

10           ~~“(2) AMOUNT.—~~The amount of funds a State  
11 library administrative agency shall reserve under  
12 paragraph (1) shall be equal to the sum of—

13           ~~“(A) \$1.50 for every preschooler (birth~~  
14 ~~through age 5) in the State from a family living~~  
15 ~~below the income official poverty line (as de-~~  
16 ~~finied by the Office of Management and Budget,~~  
17 ~~and revised annually in accordance with section~~  
18 ~~673(2) of the Community Services Block Grant~~  
19 ~~Act (42 U.S.C. 9902(2)) applicable to a family~~  
20 ~~of the size involved); and~~

21           ~~“(B) \$1.00 for every school-age child (ages~~  
22 ~~6 through 17) in the State from such a family.~~

23           ~~“(b) WITHIN STATE DISTRIBUTION.—~~

24           ~~“(1) IN GENERAL.—~~Except as provided in para-  
25 graph (2), each public library in a State shall receive

1 under this section for a fiscal year an amount that  
2 bears the same relation to the amount the State li-  
3 brary administrative agency reserves under sub-  
4 section (a) for such year as the number of children  
5 described in subsection (a)(2) served by such public  
6 library for the preceding fiscal year bears to the  
7 number of such children served by all public libraries  
8 in the State for such preceding fiscal year.

9 “(2) EXCEPTION.—

10 “(A) IN GENERAL.—If a State library ad-  
11 ministrative agency determines that the amount  
12 available under paragraph (1) for a fiscal year  
13 for 2 or more public libraries is too small to be  
14 effective, then such agency may aggregate such  
15 amounts for such year.

16 “(B) REQUIREMENTS.—Each State library  
17 administrative agency aggregating amounts  
18 under subparagraph (A) for a fiscal year—

19 “(i) shall only aggregate the amount  
20 available under paragraph (1) for a public  
21 library for a fiscal year if the amount so  
22 available for such year is \$3,000 or less;  
23 and

24 “(ii) shall use such aggregated  
25 amounts to enhance the library services

1 provided to the children described in sub-  
2 section (a)(2) served by the public libraries  
3 for which such agency aggregated such  
4 amounts for such year.

5 “(c) ADJUSTMENTS.—

6 “(1) APPROPRIATIONS INCREASE.—For any fis-  
7 cal year for which the amount appropriated to carry  
8 out this subtitle is greater than the amount appro-  
9 priated to carry out this subtitle for the preceding  
10 fiscal year by a percentage that equals or exceeds 10  
11 percent, the amount each State library administra-  
12 tive agency shall reserve under subsection (a)(2) for  
13 the fiscal year for which the determination is made  
14 shall be increased by the same such percentage.

15 “(2) APPROPRIATIONS DECREASE.—For any  
16 fiscal year for which the amount appropriated to  
17 carry out this subtitle is less than the amount ap-  
18 propriated to carry out this subtitle for the preced-  
19 ing fiscal year by a percentage that equals or ex-  
20 ceeds 10 percent, the amount each State library ad-  
21 ministrative agency shall reserve under subsection  
22 (a)(2) for the fiscal year for which the determination  
23 is made shall be decreased by the same such per-  
24 centage.

1       “(d) PLAN.—Each public library desiring assistance  
2 under this section shall submit a plan for the expenditure  
3 of funds under this section to the State library administra-  
4 tive agency. Such plan shall include a description of how  
5 the library will—

6           “(1) identify the children described in sub-  
7 section (a)(2);

8           “(2) collaborate with community representatives  
9 to ensure planning and implementation of appro-  
10 priate, helpful library services; and

11          “(3) establish indicators of success.

12       “(e) PRIORITIES.—Priorities for the use of funds  
13 under this section may include activities for children de-  
14 scribed in subsection (a)(2) such as—

15           “(1) development of after-school homework sup-  
16 port;

17           “(2) development of family literacy programs;

18           “(3) extension of branch hours to provide space  
19 and resources for homework;

20           “(4) development of technological resources;

21           “(5) hiring specialized outreach staff; and

22           “(6) development of peer tutoring programs.

1           **“CHAPTER 3—ADMINISTRATIVE**  
2                           **PROVISIONS**

3           **“Subchapter A—State Requirements**

4   ~~“SEC. 251. STATE EVALUATION.~~

5           ~~“(a) IN GENERAL.—Each State receiving a grant~~  
6   ~~under this subtitle shall annually evaluate, in accordance~~  
7   ~~with subsections (b) and (c), the activities assisted under~~  
8   ~~subchapters A and B of chapter 2.~~

9           ~~“(b) SUBCHAPTER A ACTIVITIES.—Each evaluation~~  
10   ~~of activities assisted under subchapter A of chapter 2 shall~~  
11   ~~include a description of how effective such activities are~~  
12   ~~in ensuring that—~~

13           ~~“(1) every American will have affordable access~~  
14   ~~to information resources through electronic net-~~  
15   ~~works;~~

16           ~~“(2) every public library will be connected to~~  
17   ~~national and international electronic networks;~~

18           ~~“(3) every State library agency will promote~~  
19   ~~planning and provide support for full library partici-~~  
20   ~~pation in electronic networks;~~

21           ~~“(4) every public librarian will possess the~~  
22   ~~knowledge and skills needed to help people obtain in-~~  
23   ~~formation through electronic sources; and~~

1           ~~“(5) every public library will be equipped with~~  
2           ~~the technology needed to help people obtain informa-~~  
3           ~~tion in an effective and timely manner.~~

4           ~~“(c) SUBCHAPTER B ACTIVITIES.—~~

5           ~~“(1) IN GENERAL.—Each evaluation of activi-~~  
6           ~~ties assisted under subchapter B of chapter 2 shall~~  
7           ~~include—~~

8                   ~~“(A) with respect to activities to increase~~  
9                   ~~literacy and lifelong learning—~~

10                           ~~“(i) an analysis of the current situa-~~  
11                           ~~tion in the State;~~

12                           ~~“(ii) how such activities will meet the~~  
13                           ~~needs of the current situation in the State~~  
14                           ~~and the target groups to be served; and~~

15                           ~~“(iii) a report of the effect of such ac-~~  
16                           ~~tivities in relation to the objectives of such~~  
17                           ~~activities;~~

18                   ~~“(B) with respect to activities to serve peo-~~  
19                   ~~ple in rural and urban areas—~~

20                           ~~“(i) procedures used to identify li-~~  
21                           ~~brary users within a community;~~

22                           ~~“(ii) a description of needs and target~~  
23                           ~~groups to be served;~~

24                           ~~“(iii) an analysis of the levels of suc-~~  
25                           ~~cess to be targeted;~~

1           “(iv) a report of the effect of such ac-  
2           tivities in relation to the objectives of such  
3           activities; and

4           “(v) a description of the background  
5           of the current level of library service to  
6           people in rural and urban areas, and how  
7           such activities will extend, improve and  
8           further provide library resources to such  
9           people;

10          “(C) with respect to activities to support  
11          the provision of special services—

12               “(i) an analysis of the current situa-  
13               tion in the State;

14               “(ii) how such activities will meet the  
15               needs of the current situation in the State;  
16               and

17               “(iii) a report of the effect of such ac-  
18               tivities in relation to the objectives of such  
19               activities; and

20          “(D) with respect to activities to serve chil-  
21          dren under section 243—

22               “(i) an analysis of the current local  
23               situations;

1           ~~“(ii) a description of such activities,~~  
2           ~~including objectives and costs of such ac-~~  
3           ~~tivities; and~~

4           ~~“(iii) a report of the effect of such ac-~~  
5           ~~tivities in relation to the objectives of such~~  
6           ~~activities.~~

7           ~~“(2) INFORMATION.—Each public library re-~~  
8           ~~ceiving assistance under section 243 shall submit to~~  
9           ~~the State library administrative agency such infor-~~  
10          ~~mation as such agency may require to meet the re-~~  
11          ~~quirements of paragraph (1)(D).~~

12   ~~“SEC. 252. STATE ADVISORY COUNCILS.~~

13          ~~“(a) COUNCILS REQUIRED.—Each State desiring as-~~  
14          ~~sistance under this subtitle shall establish a State advisory~~  
15          ~~council.~~

16          ~~“(b) COMPOSITION.—Each State advisory council~~  
17          ~~shall be broadly representative of the library entities in~~  
18          ~~the State, including public, school, academic, special, and~~  
19          ~~institutional libraries, and libraries serving individuals~~  
20          ~~with disabilities.~~

21          ~~“(c) DUTIES.—Each State advisory council shall—~~

22                  ~~“(1) consult with the State library administra-~~  
23                  ~~tive agency regarding the development of the State~~  
24                  ~~plan;~~

1           “(2) advise the State library administrative  
2 agency on the development of, and policy matters  
3 arising in the administration of, the State plan, in-  
4 cluding mechanisms for evaluation;

5           “(3) assist the State library administrative  
6 agency in—

7                 “(A) the dissemination of information re-  
8 garding activities assisted under this subtitle;  
9 and

10                “(B) the evaluation of activities assisted  
11 under this subtitle; and

12           “(4) establish bylaws to carry out such council’s  
13 duties under this subsection.

#### 14           **“Subchapter B—Federal Requirements**

##### 15           **“SEC. 261. SERVICES FOR INDIAN TRIBES.**

16           “(a) GRANTS AUTHORIZED.—From amounts re-  
17 served under section 221(a)(1) for any fiscal year the Di-  
18 rector shall award grants to organizations primarily serv-  
19 ing and representing Indian tribes to enable such organi-  
20 zations to carry out the authorized activities described in  
21 subsection (b).

22           “(b) AUTHORIZED ACTIVITIES.—Grant funds award-  
23 ed under this section may be used for—

24                 “(1) inservice or preservice training of Indians  
25 as library personnel;

1           ~~“(2) the purchase of library materials;~~

2           ~~“(3) the conduct of special library programs for~~  
3           ~~Indians;~~

4           ~~“(4) salaries of library personnel;~~

5           ~~“(5) transportation to enable Indians to have~~  
6           ~~access to library services;~~

7           ~~“(6) dissemination of information about library~~  
8           ~~services;~~

9           ~~“(7) assessment of tribal library needs; and~~

10           ~~“(8) contracts to provide public library services~~  
11           ~~to Indians living on or near reservations or to ac-~~  
12           ~~complish any activities described in paragraphs (1)~~  
13           ~~through (7).~~

14           ~~“(c) PROHIBITION.—No funds shall be awarded pur-~~  
15           ~~suant to this section unless such funds will be adminis-~~  
16           ~~tered by a librarian.~~

17           ~~“(d) DUPLICATION.—In awarding grants under this~~  
18           ~~section, the Director shall take such actions as may be~~  
19           ~~necessary to prevent the grant funds provided under this~~  
20           ~~section from being received by any 2 or more entities to~~  
21           ~~serve the same population.~~

22           ~~“(e) MAINTENANCE OF EFFORT.—Each organization~~  
23           ~~that receives a grant under this section and supports a~~  
24           ~~public library system shall continue to expend from Fed-~~  
25           ~~eral, State, and local sources an amount not less than the~~

1 amount expended by such organization from such sources  
2 for public library services during the second fiscal year  
3 preceding the fiscal year for which the determination is  
4 made.

5       “(f) CONSTRUCTION.—Nothing in this section shall  
6 be construed to prohibit the dissemination of restricted  
7 collections of tribal cultural materials with funds made  
8 available under this section.

9       “(g) APPLICATION.—

10           “(1) IN GENERAL.—Any organization which de-  
11 sires to receive a grant under this section shall sub-  
12 mit an application to the Director that—

13                   “(A) describes the activities and services  
14 for which assistance is sought; and

15                   “(B) contains such information as the Di-  
16 rector may require by regulation.

17           “(2) CRITERIA.—The Director shall issue cri-  
18 teria for the approval of applications under this sec-  
19 tion, but such criteria shall not include—

20                   “(A) an allotment formula; or

21                   “(B) a matching of funds requirement.

22 **“SEC. 262. NATIONAL LEADERSHIP PROGRAM.**

23       “(a) IN GENERAL.—From the amounts reserved  
24 under section 221(a)(2) for any fiscal year the Director  
25 shall establish and carry out a program of national leader-

1 ship and evaluation activities to enhance the quality of li-  
2 brary services nationwide. Such activities may include—

3           “(1) education and training of persons in li-  
4 brary and information science, particularly in areas  
5 of new technology and other critical needs, including  
6 graduate fellowships, traineeships, institutes, or  
7 other programs;

8           “(2) research and demonstration projects relat-  
9 ed to the improvement of libraries, education in li-  
10 brary and information science, enhancement of li-  
11 brary services through effective and efficient use of  
12 new technologies, and dissemination of information  
13 derived from such projects; and

14           “(3) preservation or digitization of library ma-  
15 terials and resources, giving priority to projects em-  
16 phasizing coordination, avoidance of duplication, and  
17 access by researchers beyond the institution or li-  
18 brary entity undertaking the project.

19           “(b) GRANTS OR CONTRACTS.—

20           “(1) IN GENERAL.—The Director may carry  
21 out the activities described in subsection (a) by  
22 awarding grants to, or entering into contracts with,  
23 library entities, agencies, or institutions of higher  
24 education.

1           “(2) COMPETITIVE BASIS.—Grants and con-  
2           tracts described in paragraph (1) shall be awarded  
3           on a competitive basis.

4           “(c) SPECIAL RULE.—The Director shall make every  
5           effort to ensure that activities assisted under this section  
6           are administered by appropriate library experts.

7           **“SEC. 263. STATE AND LOCAL INITIATIVES.**

8           “Nothing in this subtitle shall be construed to inter-  
9           fere with State and local initiative and responsibility in  
10          the conduct of library services. The administration of li-  
11          braries, the selection of personnel and library books and  
12          materials, and insofar as consistent with the purposes of  
13          this subtitle, the determination of the best uses of the  
14          funds provided under this subtitle, shall be reserved to the  
15          States and their local subdivisions.

16          **“Subtitle C—Museum Services**

17          **“SEC. 271. PURPOSE.**

18          “It is the purpose of this subtitle—

19                 “(1) to encourage and assist museums in their  
20                 educational role, in conjunction with formal systems  
21                 of elementary, secondary, and postsecondary edu-  
22                 cation and with programs of nonformal education for  
23                 all age groups;

24                 “(2) to assist museums in modernizing their  
25                 methods and facilities so that the museums may be

1 better able to conserve the cultural, historic, and sci-  
2 entific heritage of the United States; and

3 ~~“(3) to ease the financial burden borne by mu-~~  
4 ~~seums as a result of their increasing use by the pub-~~  
5 ~~lic.~~

6 **“SEC. 272. DEFINITIONS.**

7 “As used in this subtitle, the term ‘museum’ means  
8 a public or private nonprofit agency or institution orga-  
9 nized on a permanent basis for essentially educational or  
10 esthetic purposes, that utilizes a professional staff, owns  
11 or utilizes tangible objects, cares for the tangible objects,  
12 and exhibits the tangible objects to the public on a regular  
13 basis.

14 **“SEC. 273. MUSEUM SERVICES ACTIVITIES.**

15 ~~“(a) GRANTS.—The Director, after receiving the pol-~~  
16 ~~icy advice of the Museum Board, may make grants to mu-~~  
17 ~~seums to pay for the Federal share of the cost of increas-~~  
18 ~~ing and improving museum services, through such activi-~~  
19 ~~ties as—~~

20 ~~“(1) programs to enable museums to construct~~  
21 ~~or install displays, interpretations, and exhibitions in~~  
22 ~~order to improve museum services to the public;~~

23 ~~“(2) assisting museums in developing and~~  
24 ~~maintaining professionally trained or otherwise expe-~~  
25 ~~rienced staff to meet their needs;~~

1           “(3) assisting museums in meeting their admin-  
2           istrative costs in preserving and maintaining their  
3           collections, exhibiting the collections to the public,  
4           and providing educational programs to the public  
5           through the use of the collections;

6           “(4) assisting museums in cooperating with  
7           each other in developing traveling exhibitions, meet-  
8           ing transportation costs, and identifying and locat-  
9           ing collections available for loan;

10          “(5) assisting museums in conservation of their  
11          collections; and

12          “(6) developing and carrying out specialized  
13          programs for specific segments of the public, such as  
14          programs for urban neighborhoods, rural areas, In-  
15          dian reservations, and penal and other State institu-  
16          tions.

17          “(b) CONTRACTS AND COOPERATIVE AGREE-  
18          MENTS.—

19                 “(1) PROJECTS TO STRENGTHEN MUSEUM  
20                 SERVICES.—The Director, after receiving the policy  
21                 advice of the Museum Board, may enter into con-  
22                 tracts and cooperative agreements with appropriate  
23                 entities to pay for the Federal share of enabling the  
24                 entities to undertake projects designed to strengthen  
25                 museum services, except that any contracts or coop-

1       erative agreements entered into pursuant to this  
2       subsection shall be effective only to such extent or  
3       in such amounts as are provided in appropriations  
4       Acts.

5           “(2) LIMITATION ON AMOUNT.—The aggregate  
6       amount of financial assistance made available under  
7       this subsection for a fiscal year shall not exceed 15  
8       percent of the amount appropriated under this sub-  
9       title for such fiscal year.

10       “(c) FEDERAL SHARE.—

11           “(1) 50 PERCENT.—Except as provided in para-  
12       graph (2), the Federal share described in sub-  
13       sections (a) and (b) shall be not more than 50 per-  
14       cent.

15           “(2) 100 PERCENT.—The Director may use not  
16       more than 20 percent of the funds made available  
17       under this section for a fiscal year to make grants  
18       under subsection (a), or enter into contracts or  
19       agreements under subsection (b), for which the Fed-  
20       eral share may be 100 percent.

21       “(d) REVIEW AND EVALUATION.—The Director shall  
22       establish procedures for reviewing and evaluating grants,  
23       contracts, and cooperative agreements made or entered  
24       into under this section. Procedures for reviewing grant ap-  
25       plications or contracts and cooperative agreements for fi-

1 nancial assistance under this section shall not be subject  
2 to any review outside of the Institute.

3 **“SEC. 274. ASSESSMENTS.**

4       “(a) IN GENERAL.—The Director, subject to the pol-  
5 icy direction of the Museum Board and in consultation  
6 with appropriate representatives of museums and other  
7 types of community institutions, agencies, and organiza-  
8 tions, shall undertake an assessment of the collaborative  
9 possibilities museums can engage in to serve the public  
10 more broadly and effectively.

11       “(b) CONTENTS.—The assessment shall include—

12               “(1) an investigation of opportunities to estab-  
13 lish collaborative programs between museums within  
14 a community, including an investigation of the role  
15 that larger institutions can play as mentors to small-  
16 er institutions;

17               “(2) an investigation of opportunities to estab-  
18 lish collaborative programs between museums and  
19 community organizations;

20               “(3) an investigation of the potential for col-  
21 laboration between museums on technology issues to  
22 reach a broader audience; and

23               “(4) an investigation of opportunities for muse-  
24 ums to work with each other and with other commu-  
25 nity resources to serve the public better and to co-

1       ordinate professional and financial development ac-  
2       tivities.

3       ~~“(c) LIMITATION.—This section shall not apply in~~  
4 any fiscal year for which the amount appropriated under  
5 section 277(a) is less than \$28,700,000.

6       ~~“SEC. 275. AWARD.~~

7       ~~“The Director, with the advice of the Museum Board,~~  
8 may annually award a National Award for Museum Serv-  
9 ice to outstanding museums that have made significant  
10 contributions in service to their communities.

11       ~~“SEC. 276. NATIONAL MUSEUM SERVICES BOARD.~~

12       ~~“(a) ESTABLISHMENT.—There is established in the~~  
13 Institute a National Museum Services Board.

14       ~~“(b) COMPOSITION AND QUALIFICATIONS.—~~

15               ~~“(1) COMPOSITION.—The Museum Board shall~~  
16 consist of the Director and 14 members appointed  
17 by the President, by and with the advice and consent  
18 of the Senate, and the ex officio, nonvoting member  
19 described in paragraph (4).

20               ~~“(2) QUALIFICATIONS.—The appointive mem-~~  
21 bers of the Museum Board shall be selected from  
22 among citizens of the United States—

23                       ~~“(A) who are members of the general pub-~~  
24                       lic;

1           “(B) who are or have been affiliated  
2           with—

3                   “(i) resources that, collectively, are  
4                   broadly representative of the curatorial,  
5                   conservation, educational, and cultural re-  
6                   sources of the United States; or

7                   “(ii) museums that, collectively, are  
8                   broadly representative of various types of  
9                   museums, including museums relating to  
10                  science, history, technology, and art, zoos,  
11                  and botanical gardens; and

12                  “(C) who are recognized for their broad  
13                  knowledge, expertise, or experience in museums  
14                  or commitment to museums.

15                  ~~“(3) GEOGRAPHIC AND OTHER REPRESENTA-~~  
16                  ~~TION.—~~Members of the Museum Board shall be ap-  
17                  pointed to reflect persons from various geographic  
18                  regions of the United States. The Museum Board  
19                  may not include, at any time, more than 3 members  
20                  from a single State. In making such appointments,  
21                  the President shall give due regard to equitable rep-  
22                  resentation of women, minorities, and persons with  
23                  disabilities who are involved with museums.

24                  ~~“(4) EX OFFICIO MEMBER.—~~The Deputy Direc-  
25                  tor of the Office of Museum Services shall serve as

1 an ex officio nonvoting member of the Museum  
2 Board.

3 ~~“(c) TERMS.—~~

4 ~~“(1) IN GENERAL.—~~Each appointive member of  
5 the Museum Board shall serve for a term of 5 years,  
6 except that—

7 ~~“(A) of the members first appointed, 3~~  
8 ~~shall serve for terms of 5 years, 3 shall serve~~  
9 ~~for terms of 4 years, 3 shall serve for terms of~~  
10 ~~3 years, 3 shall serve for terms of 2 years, and~~  
11 ~~2 shall serve for terms of 1 year, as designated~~  
12 ~~by the President at the time of nomination for~~  
13 ~~appointment; and~~

14 ~~“(B) any member appointed to fill a va-~~  
15 ~~cancy shall serve for the remainder of the term~~  
16 ~~for which the predecessor of the member was~~  
17 ~~appointed.~~

18 ~~“(2) REAPPOINTMENT.—~~No member of the  
19 Museum Board who has been a member for more  
20 than 7 consecutive years shall be eligible for re-  
21 appointment.

22 ~~“(3) SERVICE UNTIL SUCCESSOR TAKES OF-~~  
23 ~~FICE.—~~Notwithstanding any other provision of this  
24 subsection, a member shall serve after the expiration

1 of the term of the member until the successor to the  
2 member takes office.

3 ~~“(d) DUTIES AND POWERS.—~~The Museum Board  
4 shall have the responsibility to advise the Director on gen-  
5 eral policies with respect to the duties and powers vested  
6 in the Institute relating to museum services, including  
7 general policies with respect to—

8 ~~“(1) financial assistance awarded under this~~  
9 ~~title for museum services; and~~

10 ~~“(2) projects described in section 204(c)(2).~~

11 ~~“(e) CHAIRPERSON.—~~The President shall designate  
12 ~~1~~ of the appointive members of the Museum Board as  
13 Chairperson of the Museum Board.

14 ~~“(f) MEETINGS.—~~

15 ~~“(1) IN GENERAL.—~~The Museum Board shall  
16 meet—

17 ~~“(A) not less than 3 times each year, in-~~  
18 ~~cluding—~~

19 ~~“(i) not less than 2 times each year~~  
20 ~~separately; and~~

21 ~~“(ii) not less than 1 time each year in~~  
22 ~~a joint meeting with the Commission, con-~~  
23 ~~vened for purposes of making general poli-~~  
24 ~~cies with respect to financial assistance for~~  
25 ~~projects described in section 204(c)(2); and~~

1                   “(B) at the call of the Director.

2                   “(2) VOTE.—All decisions by the Museum  
3 Board with respect to the exercise of the duties and  
4 powers of the Museum Board shall be made by a  
5 majority vote of the members of the Museum Board  
6 who are present. All decisions by the Commission  
7 and the Museum Board with respect to the policies  
8 described in paragraph (1)(A)(ii) shall be made by  
9 a  $\frac{2}{3}$  majority vote of the total number of the mem-  
10 bers of the Commission and the Museum Board who  
11 are present.

12                  “(g) QUORUM.—A majority of the members of the  
13 Museum Board shall constitute a quorum for the conduct  
14 of business at official meetings of the Museum Board, but  
15 a lesser number of members may hold hearings. A major-  
16 ity of the members of the Commission and a majority of  
17 the members of the Museum Board shall constitute a  
18 quorum for the conduct of business at official joint meet-  
19 ings of the Commission and the Museum Board.

20                  “(h) COMPENSATION AND TRAVEL EXPENSES.—

21                  “(1) COMPENSATION.—Each member of the  
22 Museum Board who is not an officer or employee of  
23 the Federal Government shall be compensated at a  
24 rate to be fixed by the President, but not to exceed  
25 the daily equivalent of the maximum rate authorized

1 for a position above grade GS-15 of the General  
2 Schedule under section 5108 of title 5, United  
3 States Code, for each day (including travel time)  
4 during which such member is engaged in the per-  
5 formance of the duties of the Museum Board. All  
6 members of the Museum Board who are officers or  
7 employees of the Federal Government shall serve  
8 without compensation in addition to compensation  
9 received for their services as officers or employees  
10 of the Federal Government.

11 ~~“(2) TRAVEL EXPENSES.—~~The members of the  
12 Museum Board shall be allowed travel expenses, in-  
13 cluding per diem in lieu of subsistence, in the same  
14 amounts and to the same extent, as authorized  
15 under section 5703 of title 5, United States Code,  
16 for persons employed intermittently in Federal Gov-  
17 ernment service.

18 ~~“(i) COORDINATION.—~~The Museum Board, with the  
19 advice of the Director, shall take steps to ensure that the  
20 policies and activities of the Institute are coordinated with  
21 other activities of the Federal Government.

22 ~~“SEC. 277. AUTHORIZATION OF APPROPRIATIONS.~~

23 ~~“(a) GRANTS.—~~For the purpose of carrying out this  
24 subtitle, there are authorized to be appropriated to the Di-

1 rector \$50,000,000 for each of fiscal years 1996 through  
2 2000.

3 “(b) ADMINISTRATION.—Not more than 10 percent  
4 of the funds appropriated under this section for a fiscal  
5 year may be used to pay for the administrative costs of  
6 carrying out this subtitle.

7 “(c) JOINT PROJECTS.—Not less than 5 percent and  
8 not more than 7 percent of the funds appropriated under  
9 this section for a fiscal year may be made available for  
10 projects described in section 204(c)(2) for the fiscal year.

11 “(d) SUMS REMAINING AVAILABLE.—Sums appro-  
12 priated pursuant to subsection (a) for any fiscal year shall  
13 remain available for obligation until expended.”.

14 **SEC. 202. NATIONAL COMMISSION ON LIBRARIES AND IN-**  
15 **FORMATION SCIENCE.**

16 (a) FUNCTIONS.—Section 5 of the National Commis-  
17 sion on Libraries and Information Science Act (20 U.S.C.  
18 1504) is amended—

19 (1) by redesignating subsections (b) through (d)  
20 as subsections (d) through (f), respectively; and

21 (2) by inserting after subsection (a) the follow-  
22 ing:

23 “(b) The Commission shall have the responsibility to  
24 advise the Director of the Institute of Museum and Li-  
25 brary Services on general policies with respect to the du-

1 ties and powers vested in the Institute of Museum and  
2 Library Services relating to library services, including—

3       ~~“(1) general policies with respect to—~~

4               ~~“(A) financial assistance awarded under~~  
5               ~~the Museum and Library Services Act for li-~~  
6               ~~brary services; and~~

7               ~~“(B) projects described in section~~  
8               ~~204(c)(2) of such Act; and~~

9       ~~“(2) measures to ensure that the policies and~~  
10       ~~activities of the Institute of Museum and Library~~  
11       ~~Services are coordinated with other activities of the~~  
12       ~~Federal Government.~~

13       ~~“(c)(1) The Commission shall meet not less than 1~~  
14       ~~time each year in a joint meeting with the Museum Board,~~  
15       ~~convened for purposes of providing advice on general pol-~~  
16       ~~icy with respect to financial assistance for projects de-~~  
17       ~~scribed in section 204(c)(2) of such Act.~~

18       ~~“(2) All decisions by the Commission and the Mu-~~  
19       ~~seum Board with respect to the advice on general policy~~  
20       ~~described in paragraph (1) shall be made by a  $\frac{2}{3}$  majority~~  
21       ~~vote of the total number of the members of the Commis-~~  
22       ~~sion and the Museum Board who are present.~~

23       ~~“(3) A majority of the members of the Commission~~  
24       ~~and a majority of the members of the Museum Board shall~~  
25       ~~constitute a quorum for the conduct of business at official~~

1 joint meetings of the Commission and the Museum  
2 Board.”.

3 ~~(b)~~ MEMBERSHIP.—Section 6 of the National Com-  
4 mission on Libraries and Information Science Act (20  
5 U.S.C. 1505) is amended—

6 (1) in subsection (a)—

7 (A) in the first sentence, by striking “Li-  
8 brarian of Congress” and inserting “Director of  
9 the Institute of Museum and Library Services”;

10 (B) in the second sentence—

11 (i) by striking “Five” and inserting  
12 “Six of the appointive”;

13 (ii) by striking “or interest in”; and

14 (iii) by inserting before the period the  
15 following: “and at least one other of whom  
16 shall be knowledgeable with respect to the  
17 library and information service and science  
18 needs of the elderly”;

19 (C) in the third sentence, by inserting “ap-  
20 pointive” before “members”; and

21 (D) in the last sentence, by striking “term  
22 and at least” and all that follows and inserting  
23 “term.”; and

24 (2) in subsection (b), by striking “the rate spec-  
25 ified” and all that follows through “and while” and

1 inserting “the daily equivalent of the maximum rate  
2 authorized for a position above grade GS–15 of the  
3 General Schedule under section 5108 of title 5,  
4 United States Code, for each day (including travel-  
5 time) during which the members are engaged in the  
6 business of the Commission. While”.

7 **SEC. 203. TRANSFER OF FUNCTIONS FROM INSTITUTE OF**  
8 **MUSEUM SERVICES.**

9 (a) DEFINITIONS.—For purposes of this section, un-  
10 less otherwise provided or indicated by the context—

11 (1) the term “Federal agency” has the meaning  
12 given to the term “agency” by section 551(1) of title  
13 5, United States Code;

14 (2) the term “function” means any duty, obli-  
15 gation, power, authority, responsibility, right, privi-  
16 lege, activity, or program; and

17 (3) the term “office” includes any office, ad-  
18 ministration, agency, institute, unit, organizational  
19 entity, or component thereof.

20 (b) TRANSFER OF FUNCTIONS.—There are trans-  
21 ferred to the Institute of Museum and Library Services  
22 established under section 203 of the Museum and Library  
23 Services Act all functions that the Director of the Institute  
24 of Museum Services exercised before the date of enact-

1 ment of this section (including all related functions of any  
2 officer or employee of the Institute of Museum Services).

3 (c) DETERMINATIONS OF CERTAIN FUNCTIONS BY  
4 THE OFFICE OF MANAGEMENT AND BUDGET.—If nec-  
5 essary, the Office of Management and Budget shall make  
6 any determination of the functions that are transferred  
7 under subsection (b).

8 (d) DELEGATION AND ASSIGNMENT.—Except where  
9 otherwise expressly prohibited by law or otherwise pro-  
10 vided by this section, the Director of the Institute of Mu-  
11 seum and Library Services may delegate any of the func-  
12 tions transferred to the Director of the Institute of Mu-  
13 seum and Library Services by this section and any func-  
14 tion transferred or granted to such Director of the Insti-  
15 tute of Museum and Library Services after the effective  
16 date of this section to such officers and employees of the  
17 Institute of Museum and Library Services as the Director  
18 of the Institute of Museum and Library Services may des-  
19 ignate, and may authorize successive redelegations of such  
20 functions as may be necessary or appropriate. No delega-  
21 tion of functions by the Director of the Institute of Mu-  
22 seum and Library Services under this section or under any  
23 other provision of this section shall relieve such Director  
24 of the Institute of Museum and Library Services of re-  
25 sponsibility for the administration of such functions.

1       (e) REORGANIZATION.—The Director of the Institute  
2 of Museum and Library Services may allocate or reallocate  
3 any function transferred under subsection (b) among the  
4 officers of the Institute of Museum and Library Services,  
5 and to establish, consolidate, alter, or discontinue such or-  
6 ganizational entities in the Institute of Museum and Li-  
7 brary Services as may be necessary or appropriate.

8       (f) RULES.—The Director of the Institute of Museum  
9 and Library Services may prescribe, in accordance with  
10 chapters 5 and 6 of title 5, United States Code, such rules  
11 and regulations as the Director of the Institute of Museum  
12 and Library Services determines to be necessary or appro-  
13 priate to administer and manage the functions of the In-  
14 stitute of Museum and Library Services.

15       (g) TRANSFER AND ALLOCATIONS OF APPROPRIA-  
16 TIONS AND PERSONNEL.—Except as otherwise provided  
17 in this section, the personnel employed in connection with,  
18 and the assets, liabilities, contracts, property, records, and  
19 unexpended balances of appropriations, authorizations, al-  
20 locations, and other funds employed, used, held, arising  
21 from, available to, or to be made available in connection  
22 with the functions transferred by this section, subject to  
23 section 1531 of title 31, United States Code, shall be  
24 transferred to the Institute of Museum and Library Serv-  
25 ices. Unexpended funds transferred pursuant to this sub-

1 section shall be used only for the purposes for which the  
2 funds were originally authorized and appropriated.

3       (h) INCIDENTAL TRANSFERS.—The Director of the  
4 Office of Management and Budget, at such time or times  
5 as the Director shall provide, may make such determina-  
6 tions as may be necessary with regard to the functions  
7 transferred by this section, and make such additional inci-  
8 dental dispositions of personnel, assets, liabilities, grants,  
9 contracts, property, records, and unexpended balances of  
10 appropriations, authorizations, allocations, and other  
11 funds held, used, arising from, available to, or to be made  
12 available in connection with such functions, as may be nec-  
13 essary to carry out this section. The Director of the Office  
14 of Management and Budget shall provide for the termi-  
15 nation of the affairs of all entities terminated by this sec-  
16 tion and for such further measures and dispositions as  
17 may be necessary to effectuate the purposes of this sec-  
18 tion.

19       (i) EFFECT ON PERSONNEL.—

20           (1) IN GENERAL.—Except as otherwise pro-  
21 vided by this section, the transfer pursuant to this  
22 section of full-time personnel (except special Govern-  
23 ment employees) and part-time personnel holding  
24 permanent positions shall not cause any such em-  
25 ployee to be separated or reduced in grade or com-

1       pensation for 1 year after the date of transfer of  
2       such employee under this section.

3           (2) EXECUTIVE SCHEDULE POSITIONS.—Except  
4       as otherwise provided in this section, any person  
5       who, on the day preceding the effective date of this  
6       section, held a position compensated in accordance  
7       with the Executive Schedule prescribed in chapter  
8       53 of title 5, United States Code, and who, without  
9       a break in service, is appointed in the Institute of  
10      Museum and Library Services to a position having  
11      duties comparable to the duties performed imme-  
12      diately preceding such appointment shall continue to  
13      be compensated in such new position at not less  
14      than the rate provided for such previous position, for  
15      the duration of the service of such person in such  
16      new position.

17      (j) SAVINGS PROVISIONS.—

18           (1) CONTINUING EFFECT OF LEGAL DOCU-  
19      MENTS.—All orders, determinations, rules, regula-  
20      tions, permits, agreements, grants, contracts, certifi-  
21      cates, licenses, registrations, privileges, and other  
22      administrative actions—

23           (A) that have been issued, made, granted,  
24           or allowed to become effective by the President,  
25           any Federal agency or official of a Federal

1 agency, or by a court of competent jurisdiction,  
2 in the performance of functions that are trans-  
3 ferred under this section; and

4 ~~(B)~~ that were in effect before the effective  
5 date of this section, or were final before the ef-  
6 fective date of this section and are to become  
7 effective on or after the effective date of this  
8 section;

9 shall continue in effect according to their terms until  
10 modified, terminated, superseded, set aside, or re-  
11 voked in accordance with law by the President, the  
12 Director of the Institute of Museum and Library  
13 Services or other authorized official, a court of com-  
14 petent jurisdiction, or by operation of law.

15 ~~(2) PROCEEDINGS NOT AFFECTED.~~—This sec-  
16 tion shall not affect any proceedings, including no-  
17 tices of proposed rulemaking, or any application for  
18 any license, permit, certificate, or financial assist-  
19 ance pending before the Institute of Museum Serv-  
20 ices on the effective date of this section, with respect  
21 to functions transferred by this section. Such pro-  
22 ceedings and applications shall be continued. Orders  
23 shall be issued in such proceedings, appeals shall be  
24 taken from the orders, and payments shall be made  
25 pursuant to the orders, as if this section had not

1        been enacted, and orders issued in any such proceed-  
2        ings shall continue in effect until modified, termi-  
3        nated, superseded, or revoked by a duly authorized  
4        official, by a court of competent jurisdiction, or by  
5        operation of law. Nothing in this paragraph shall be  
6        construed to prohibit the discontinuance or modifica-  
7        tion of any such proceeding under the same terms  
8        and conditions and to the same extent that such pro-  
9        ceeding could have been discontinued or modified if  
10       this section had not been enacted.

11            (3) SUITS NOT AFFECTED.—This section shall  
12       not affect suits commenced before the effective date  
13       of this section, and in all such suits, proceedings  
14       shall be had, appeals taken, and judgments rendered  
15       in the same manner and with the same effect as if  
16       this section had not been enacted.

17            (4) NONABATEMENT OF ACTIONS.—No suit, ac-  
18       tion, or other proceeding commenced by or against  
19       the Institute of Museum Services, or by or against  
20       any individual in the official capacity of such individ-  
21       ual as an officer of the Institute of Museum Serv-  
22       ices, shall abate by reason of the enactment of this  
23       section.

24            (5) ADMINISTRATIVE ACTIONS RELATING TO  
25       PROMULGATION OF REGULATIONS.—Any administra-

1       tive action relating to the preparation or promulga-  
2       tion of a regulation by the Institute of Museum  
3       Services relating to a function transferred under this  
4       section may be continued by the Institute of Mu-  
5       seum and Library Services with the same effect as  
6       if this section had not been enacted.

7       (k) TRANSITION.—The Director of the Institute of  
8       Museum and Library Services may utilize—

9               (1) the services of such officers, employees, and  
10              other personnel of the Institute of Museum Services  
11              with respect to functions transferred to the Institute  
12              of Museum and Library Services by this section; and

13              (2) funds appropriated to such functions for  
14              such period of time as may reasonably be needed to  
15              facilitate the orderly implementation of this section.

16       (l) REFERENCES.—A reference in any other Federal  
17       law, Executive order, rule, regulation, or delegation of au-  
18       thority, or any document of or relating to—

19              (1) the Director of the Institute of Museum  
20              Services with regard to functions transferred under  
21              subsection (b), shall be deemed to refer to the Direc-  
22              tor of the Institute of Museum and Library Services;  
23              and

24              (2) the Institute of Museum Services with re-  
25              gard to functions transferred under subsection (b),

1 shall be deemed to refer to the Institute of Museum  
2 and Library Services.

3 ~~(m) ADDITIONAL CONFORMING AMENDMENTS.—~~

4 (1) ~~RECOMMENDED LEGISLATION.—~~After con-  
5 sultation with the appropriate committees of Con-  
6 gress and the Director of the Office of Management  
7 and Budget, the Director of the Institute of Museum  
8 and Library Services shall prepare and submit to  
9 Congress recommended legislation containing tech-  
10 nical and conforming amendments to reflect the  
11 changes made by this section.

12 ~~(2) SUBMISSION TO CONGRESS.—~~Not later than  
13 6 months after the effective date of this section, the  
14 Director of the Institute of Museum and Library  
15 Services shall submit the recommended legislation  
16 referred to under paragraph (1).

17 **SEC. 204. SERVICE OF INDIVIDUALS SERVING ON DATE OF**  
18 **ENACTMENT.**

19 Notwithstanding section 204 of the Museum and Li-  
20 brary Services Act, the individual who was appointed to  
21 the position of Director of the Institute of Museum Serv-  
22 ices under section 205 of the Museum Services Act (as  
23 such section was in effect on the day before the date of  
24 enactment of this Act) and who is serving in such position  
25 on the day before the date of enactment of this Act shall

1 serve as the first Director of the Institute of Museum and  
2 Library Services under section 204 of the Museum and  
3 Library Services Act (as added by section 201 of this Act),  
4 and shall serve at the pleasure of the President.

5 **SEC. 205. CONSIDERATION.**

6 Consistent with title 5, United States Code, in ap-  
7 pointing employees of the Office of Library Services, the  
8 Director of the Institute of Museum and Library Service  
9 shall give strong consideration to individuals with experi-  
10 ence in administering State-based library programs.

11 **SEC. 206. REPEALS AND TECHNICAL AND CONFORMING**  
12 **AMENDMENTS.**

13 (a) REPEALS.—

14 (1) LIBRARY SERVICES AND CONSTRUCTION  
15 ACT.—The Library Services and Construction Act  
16 (20 U.S.C. 351 et seq.) is repealed.

17 (2) HIGHER EDUCATION ACT OF 1965.—Title II  
18 of the Higher Education Act of 1965 (20 U.S.C.  
19 1021 et seq.) is repealed.

20 (b) REFERENCES TO LIBRARY SERVICES AND CON-  
21 STRUCTION ACT.—

22 (1) OMNIBUS EDUCATION RECONCILIATION ACT  
23 OF 1981.—Section 528 of the Omnibus Education  
24 Reconciliation Act of 1981 (20 U.S.C. 3489) is  
25 amended—

1 (A) by striking paragraph (12); and

2 (B) by redesignating paragraphs (13)  
3 through (15) as paragraphs (12) through (14).

4 (2) ELEMENTARY AND SECONDARY EDUCATION  
5 ACT OF 1965.—Section 3113(10) of the Elementary  
6 and Secondary Education Act of 1965 (20 U.S.C.  
7 6813(10)) is amended by striking “section 3 of the  
8 Library Services and Construction Act” and insert-  
9 ing “section 213(7) of the Library Services and  
10 Technology Act”.

11 (3) COMMUNITY IMPROVEMENT VOLUNTEER  
12 ACT OF 1994.—Section 7305 of the Community Im-  
13 provement Volunteer Act of 1994 (40 U.S.C. 276d-  
14 3) is amended—

15 (A) by striking paragraph (1); and

16 (B) by redesignating paragraphs (2)  
17 through (6) as paragraphs (1) through (5), re-  
18 spectively.

19 (4) APPALACHIAN REGIONAL DEVELOPMENT  
20 ACT OF 1965.—Section 214(c) of the Appalachian  
21 Regional Development Act of 1965 (40 U.S.C. App.  
22 214(c)) is amended by striking “Library Services  
23 and Construction Act;”.

24 (5) DEMONSTRATION CITIES AND METROPOLI-  
25 TAN DEVELOPMENT ACT OF 1966.—Section 208(2) of

1 the Demonstration Cities and Metropolitan Develop-  
 2 ment Act of 1966 (42 U.S.C. 3338(2)) is amended  
 3 by striking “title II of the Library Services and Con-  
 4 struction Act;”.

5 (6) PUBLIC LAW 87-688.—Subsection (c) of the  
 6 first section of the Act entitled “An Act to extend  
 7 the application of certain laws to American Samoa”,  
 8 approved September 25, 1962 (48 U.S.C. 1666(c))  
 9 is amended by striking “the Library Services Act  
 10 (70 Stat. 293; 20 U.S.C. 351 et seq.),”.

11 (c) REFERENCES TO INSTITUTE OF MUSEUM SERV-  
 12 ICES.—

13 (1) TITLE 5, UNITED STATES CODE.—Section  
 14 5315 of title 5, United States Code, is amended by  
 15 striking the following:

16 “Director of the Institute of Museum Services.”  
 17 and inserting the following:

18 “Director of the Institute of Museum and Li-  
 19 brary Services.”.

20 (2) DEPARTMENT OF EDUCATION ORGANIZA-  
 21 TION ACT.—Section 301 of the Department of Edu-  
 22 cation Organization Act (20 U.S.C. 3441) is amend-  
 23 ed—

24 (A) in subsection (a)—

25 (i) by striking paragraph (5); and

1           (ii) by redesignating paragraphs (6)  
2           and (7) as paragraphs (5) and (6), respec-  
3           tively; and

4           (B) in subsection (b)—

5           (i) by striking paragraph (4); and

6           (ii) by redesignating paragraphs (5)  
7           through (7) as paragraphs (4) through (6),  
8           respectively.

9           (3) ~~ELEMENTARY AND SECONDARY EDUCATION~~  
10          ~~ACT OF 1965.—~~

11           (A) Sections ~~2101(b), 2205(c)(1)(D),~~  
12           ~~2208(d)(1)(H)(v), and 2209(b)(1)(C)(vi),~~ and  
13           subsections (d)(6) and (e)(2) of section 10401,  
14           of the Elementary and Secondary Education  
15           Act of 1965 (~~20 U.S.C. 6621(b),~~  
16           ~~6645(c)(1)(D),~~           ~~6648(d)(1)(H)(v),~~  
17           ~~6649(b)(1)(C)(vi),~~ and ~~8091 (d)(6) and (e)(2))~~  
18           are amended by striking “the Institute of Mu-  
19           seum Services” and inserting “the Institute of  
20           Museum and Library Services”.

21           (B) Section 10412(b) of such Act (~~20~~  
22           ~~U.S.C. 8102(b))~~ is amended—

23           (i) in paragraph (2), by striking “the  
24           Chairman of the National Endowment for  
25           the Humanities, the Chairman of the Na-

1 tional Endowment for the Arts, and the  
2 Director of the Institute of Museum Serv-  
3 ices,” and inserting “the Chairperson of  
4 the National Endowment for the Human-  
5 ities, the Chairperson of the National En-  
6 dowment for the Arts, and the Institute of  
7 Museum and Library Services,”; and

8 (ii) in paragraph (7), by striking “the  
9 Chairman of the National Endowment for  
10 the Humanities, the Chairman of the Na-  
11 tional Endowment for the Arts and the Di-  
12 rector of the Institute of Museum Serv-  
13 ices,” and inserting “the Chairperson of  
14 the National Endowment for the Human-  
15 ities, the Chairperson of the National En-  
16 dowment for the Arts, and the Institute of  
17 Museum and Library Services,”.

18 (C) Section 10414(a)(2)(B) of such Act  
19 (20 U.S.C. 8104(a)(2)(B)) is amended by strik-  
20 ing clause (iii) and inserting the following new  
21 clause:

22 “(iii) the Institute of Museum and Li-  
23 brary Services.”.

24 (d) REFERENCES TO HIGHER EDUCATION ACT OF  
25 1965.—

1           (1) HIGHER EDUCATION ACT OF 1965.—Para-  
2           graph (2) of section 356(b) of the Higher Education  
3           Act of 1965 (20 U.S.C. 1069b(b)) is amended by  
4           striking “H.”

5           (2) HIGHER EDUCATION AMENDMENTS OF  
6           1986.—Part D of title XIII of the Higher Education  
7           Amendments of 1986 (20 U.S.C. 1029 note) is re-  
8           pealed.

9           (c) REFERENCES TO OFFICE OF LIBRARIES AND  
10          LEARNING RESOURCES.—

11           (1) EDUCATION AMENDMENTS OF 1974.—Sec-  
12           tion 519 of the Education Amendments of 1974 (20  
13           U.S.C. 1221i) is repealed.

14           (2) DEPARTMENT OF EDUCATION ORGANIZA-  
15           TION ACT.—Section 413(b)(1) of the Department of  
16           Education Organization Act (20 U.S.C. 3473(b)(1))  
17           is amended—

18                   (A) by striking subparagraph (H); and

19                   (B) by redesignating subparagraphs (I)  
20                   through (M) as subparagraphs (H) through  
21                   (L), respectively.

1 **TITLE III—ARTS AND ARTIFACTS**  
2 **INDEMNITY ACT**

3 **SEC. 301. ARTS AND ARTIFACTS.**

4 The Arts and Artifacts Indemnity Act (20 U.S.C. 971  
5 et seq.) is amended to read as follows:

6 **“SECTION 1. SHORT TITLE.**

7 “This Act may be cited as the ‘Arts and Artifacts  
8 Indemnity Act’.

9 **“SEC. 2. INDEMNITY FOR EXHIBITIONS OF ARTS AND ARTI-**  
10 **FACTS.**

11 “The Chairperson of the National Endowment for the  
12 Arts (referred to in this title as the ‘Chairperson’) may  
13 enter into agreements to indemnify against loss or damage  
14 such items as may be eligible for such indemnity agree-  
15 ments under section 3—

16 “(1) in accordance with the provisions of this  
17 Act; and

18 “(2) on such terms and conditions as the Chair-  
19 person shall prescribe, by regulation, in order to  
20 achieve the objectives of this Act and, consistent  
21 with such objectives, to protect the financial interest  
22 of the United States.

1 **“SEC. 3. ELIGIBLE ITEMS.**

2       “(a) TYPES OF ITEMS.—The Chairperson may enter  
3 into an indemnity agreement under section 2 with respect  
4 to items—

5           “(1) that are—

6               “(A) works of art, including tapestries,  
7 paintings, sculpture, folk art, and graphics and  
8 craft arts;

9               “(B) manuscripts, rare documents, books,  
10 or other printed or published materials;

11               “(C) other artifacts or objects; or

12               “(D) photographs, motion pictures, or  
13 audio and video tape;

14           “(2) that are of educational, cultural, historical,  
15 or scientific value; and

16           “(3) the exhibition of which is certified by the  
17 Secretary of State, the designee of the Secretary, or  
18 the Director of the Institute for Museum and Li-  
19 brary Services, as being in the national interest.

20       “(b) ITEMS ON EXHIBITION.—

21           “(1) SCOPE.—An indemnity agreement made  
22 under this Act shall cover eligible items while on ex-  
23 hibition, generally when the items are part of an ex-  
24 change of exhibitions. An item described in sub-  
25 section (a) that is part of an exhibition that origi-  
26 nates either in the United States or outside the

1 United States and that is touring the United States  
2 shall be considered to be an eligible item.

3 ~~“(2) DEFINITION.—For purposes of this sub-~~  
4 ~~section, the term ‘on exhibition’ includes the period~~  
5 ~~of time beginning on the date the eligible items leave~~  
6 ~~the premises of the lender or place designated by the~~  
7 ~~lender and ending on the date such items are re-~~  
8 ~~turned to the premises of the lender or place des-~~  
9 ~~ignated by the lender.~~

10 **“SEC. 4. APPLICATIONS.**

11 ~~“(a) IN GENERAL.—Any person, nonprofit agency,~~  
12 ~~institution, or government desiring to enter into an indem-~~  
13 ~~nity agreement for eligible items under this Act shall sub-~~  
14 ~~mit an application to the Chairperson at such time, in~~  
15 ~~such manner and in accordance with such procedures, as~~  
16 ~~the Chairperson shall, by regulation, prescribe.~~

17 ~~“(b) CONTENTS.—An application submitted under~~  
18 ~~subsection (a) shall—~~

19 ~~“(1) describe each item to be covered by the~~  
20 ~~agreement (including an estimated value of such~~  
21 ~~item);~~

22 ~~“(2) show evidence that the item is an item de-~~  
23 ~~scribed in section 3(a); and~~

24 ~~“(3) set forth policies, procedures, techniques,~~  
25 ~~and methods with respect to preparation for, and~~

1       conduct of, exhibition of the item, and any transpor-  
2       tation related to such item.

3       ~~“(c) APPROVAL.—On receipt of an application under~~  
4 ~~this section, the Chairperson shall review the application~~  
5 ~~as described in section 5 and, if the Chairperson agrees~~  
6 ~~with the estimated value described in the application and~~  
7 ~~if such application conforms with the requirements of this~~  
8 ~~Act, approve the application and enter into an indemnity~~  
9 ~~agreement with the applicant under section 2. On such~~  
10 ~~approval, the agreement shall constitute a contract be-~~  
11 ~~tween the Chairperson and the applicant pledging the full~~  
12 ~~faith and credit of the United States to pay any amount~~  
13 ~~for which the Chairperson becomes liable under such~~  
14 ~~agreement. The Chairperson, for such purpose, is author-~~  
15 ~~ized to pledge the full faith and credit of the United~~  
16 ~~States.~~

17       ~~“SEC. 5. INDEMNITY AGREEMENT.~~

18       ~~“(a) REVIEW.—On receipt of an application meeting~~  
19 ~~the requirements of subsections (a) and (b) of section 4,~~  
20 ~~the Chairperson shall review the estimated value of the~~  
21 ~~items for which coverage by an indemnity agreement is~~  
22 ~~sought.~~

23       ~~“(b) AGGREGATE AMOUNT OF LOSS OR DAMAGE.—~~  
24 ~~The aggregate amount of loss or damage covered by in-~~

1 demnity agreements made under this Act shall not exceed  
2 \$3,000,000,000, at any one time.

3 ~~“(c) INDIVIDUAL AMOUNT OF LOSS OR DAMAGE.—~~

4 No indemnity agreement for a single exhibition shall cover  
5 loss or damage in excess of \$300,000,000.

6 ~~“(d) EXTENT OF COVERAGE.—~~If the estimated value  
7 of the items covered by an indemnity agreement for a sin-  
8 gle exhibition is—

9 ~~“(1) \$2,000,000 or less, coverage under this~~  
10 Act shall extend only to loss or damage in excess of  
11 the first \$15,000 of loss or damage to the items cov-  
12 ered;

13 ~~“(2) more than \$2,000,000 but less than~~  
14 \$10,000,000, coverage under this Act shall extend  
15 only to loss or damage in excess of the first \$25,000  
16 of loss or damage to the items covered;

17 ~~“(3) not less than \$10,000,000 but less than~~  
18 \$125,000,000, coverage under this Act shall extend  
19 to loss or damage in excess of the first \$50,000 of  
20 loss or damage to the items covered;

21 ~~“(4) not less than \$125,000,000 but less than~~  
22 \$200,000,000, coverage under this Act shall extend  
23 to loss or damage in excess of the first \$100,000 of  
24 loss or damage to the items covered; or

1           ~~“(5) not less than \$200,000,000, coverage~~  
2           under this Act shall extend only to loss or damage  
3           in excess of the first ~~\$200,000~~ of loss or damage to  
4           the items covered.

5   **~~“SEC. 6. REGULATIONS AND CERTIFICATION.~~**

6           ~~“(a) REGULATIONS.—The Chairperson shall pre-~~  
7           scribe regulations providing for prompt adjustment of  
8           valid claims for loss or damage to items that are covered  
9           by an agreement entered into pursuant to section 2, in-  
10          cluding provision for arbitration of issues relating to the  
11          dollar value of damages involving less than total loss or  
12          destruction of such covered items.

13          ~~“(b) CERTIFICATION.—In the case of a claim of loss~~  
14          or damage with respect to an item that is covered by an  
15          agreement entered into pursuant to section 2, the Chair-  
16          person shall certify the validity of the claim and the  
17          amount of the loss to the Speaker of the House of Rep-  
18          resentatives and the President pro tempore of the Senate.

19   **~~“SEC. 7. COORDINATION ACTIVITIES.~~**

20          ~~“The Chairperson shall—~~

21                 ~~“(1) advise and consult with the Chairperson of~~  
22                 the National Endowment for the Humanities on  
23                 major problems arising in carrying out the purpose  
24                 of the Foundation;

1           ~~“(2) advise and consult with the National Mu-~~  
2           ~~seum Services Board and with the Director of the~~  
3           ~~Institute of Museum and Library Services on major~~  
4           ~~problems arising in carrying out the purpose of the~~  
5           ~~Museum Services Act;~~

6           ~~“(3) coordinate, by advice and consultation, so~~  
7           ~~far as is practicable, the policies and operations of~~  
8           ~~the National Endowment for the Arts, the National~~  
9           ~~Endowment for the Humanities, and the Institute of~~  
10          ~~Museum and Library Services, including joint sup-~~  
11          ~~port of activities, as appropriate;~~

12          ~~“(4) promote coordination between the pro-~~  
13          ~~grams and activities of the Foundation and related~~  
14          ~~programs and activities of other Federal agencies;~~

15          ~~“(5) plan and coordinate appropriate participa-~~  
16          ~~tion (including productions and projects) in major~~  
17          ~~and historic national events; and~~

18          ~~“(6) encourage an ongoing dialogue in support~~  
19          ~~of the arts and the humanities among Federal agen-~~  
20          ~~cies.~~

21   **~~“SEC. 8. REPORT.~~**

22          ~~“The Chairperson shall prepare, and submit at the~~  
23          ~~end of each fiscal year to the appropriate committees of~~  
24          ~~Congress, a report containing information on—~~

1           ~~“(1) all claims paid pursuant to this Act during~~  
2           ~~such year;~~

3           ~~“(2) pending claims against the Chairperson~~  
4           ~~under this Act as of the end of such year; and~~

5           ~~“(3) the aggregate face value of contracts en-~~  
6           ~~tered into by the Chairperson that are outstanding~~  
7           ~~at the end of such year.~~

8   ~~**“SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**~~

9           ~~“There are authorized to be appropriated such sums~~  
10          ~~as may be necessary—~~

11           ~~“(1) to enable the Chairperson to carry out the~~  
12           ~~functions of the Chairperson under this Act; and~~

13           ~~“(2) to pay claims certified pursuant to section~~  
14          ~~6(b).”.~~

15   **SECTION 1. SHORT TITLE.**

16           *This Act may be cited as the “Arts, Humanities, and*  
17          *Museums Amendments of 1995”.*

18   **TITLE I—NATIONAL FOUNDA-**  
19          **TION ON THE ARTS AND THE**  
20          **HUMANITIES ACT OF 1965**

21   **SEC. 101. NATIONAL FOUNDATION ON THE ARTS AND THE**  
22          **HUMANITIES.**

23           *The National Foundation on the Arts and the Human-*  
24          *ities Act of 1965 (20 U.S.C. 951 et seq.) is amended to read*  
25          *as follows:*



1           “(1)(A) to ensure that the arts and the human-  
2           ities belong to all the people of the United States; and

3           “(B) to support the arts and the humanities  
4           which are essential to social, cultural, and economic  
5           progress;

6           “(2) to encourage and support national progress  
7           and scholarship in the arts and the humanities, be-  
8           cause such encouragement and support, while pri-  
9           marily matters for private and local initiative, are  
10          also appropriate matters of concern for the Federal  
11          Government;

12          “(3) to ensure that the United States, as an ad-  
13          vanced civilization, does not limit its efforts to science  
14          and technology alone but gives full value and support  
15          to the other great branches of scholarly and cultural  
16          activity in order to achieve a better understanding of  
17          the past, a better analysis of the present, and a better  
18          view of the future;

19          “(4) to further the advancement of the arts and  
20          the humanities and the access of all citizens of the  
21          United States to the arts and the humanities, in part-  
22          nership with local, State, regional, and private agen-  
23          cies, organizations, and individuals;

24          “(5) in furthering the advancement and access  
25          described in paragraph (4), to be sensitive to the na-

1 *ture of public support and the need to use public*  
2 *funding in a manner that recognizes the responsibil-*  
3 *ity of the Federal Government to the public good;*

4 *“(6) to ensure that public funds provided by the*  
5 *Federal Government ultimately serve the public pur-*  
6 *poses the Congress defines and are subject to the con-*  
7 *ditions that traditionally govern the use of public*  
8 *money;*

9 *“(7) to ensure that—*

10 *“(A) Federal support of the arts and the hu-*  
11 *manities reflects the high place accorded by the*  
12 *people of the United States to the Nation’s rich*  
13 *cultural heritage; and*

14 *“(B) public funding of the arts and the hu-*  
15 *manities contributes to public support for and*  
16 *confidence in the use of taxpayer funds;*

17 *“(8)(A) to support the practice of art and the*  
18 *study of the humanities, which require constant dedi-*  
19 *cation and devotion; and*

20 *“(B) while recognizing that no government can*  
21 *create a great artist or scholar, to help create and sus-*  
22 *tain not only a climate encouraging freedom of*  
23 *thought, imagination, and inquiry, but also the mate-*  
24 *rial conditions facilitating the release of creative tal-*  
25 *ent;*

1           “(9)(A) to ensure that United States students re-  
2           ceive in school, background and preparation in the  
3           arts and the humanities to enable the students to rec-  
4           ognize and appreciate the aesthetic dimensions of  
5           their lives, the cultural heritage of the United States,  
6           and the full potential of artistic and scholarly expres-  
7           sion; and

8           “(B) to increase access to the arts and the hu-  
9           manities for all persons in the United States by—

10           “(i) encouraging and developing quality  
11           education in the arts and the humanities at all  
12           levels, in conjunction with programs of lifelong  
13           learning in the arts and the humanities for all  
14           age groups and with formal systems of elemen-  
15           tary, secondary, and postsecondary education;  
16           and

17           “(ii) encouraging and facilitating the work  
18           of scholars, artists, arts institutions, and Fed-  
19           eral, State, regional, and local agencies in the  
20           area of education in the arts and the humanities.

21   **“SEC. 3. DEFINITIONS.**

22           “As used in this Act:

23           “(1) ARTS.—The term ‘arts’ includes—

24           “(A) dance, design, literature, media,  
25           music, theater, and visual arts;

1           “(B) folk and traditional arts practiced by  
2           the diverse peoples of the United States; and

3           “(C) the presentation, performance, execu-  
4           tion, exhibition, preservation, and study of the  
5           arts described in subparagraph (A) or (B), in-  
6           cluding study of the arts through apprentice-  
7           ships, internships, and other career oriented  
8           work-study experiences for artists and art teach-  
9           ers, and residencies for artists at all educational  
10          levels.

11          “(2) CULTURAL HERITAGE.—The term ‘cultural  
12          heritage’ means the living legacy of creations, skills,  
13          and knowledge handed down from prior generations—

14                 “(A) that embraces the traditional arts and  
15                 ideas that are developed informally and that re-  
16                 flect the heritage, tradition, and history of Amer-  
17                 ican communities over the centuries; and

18                 “(B) that continues to evolve as new groups  
19                 contribute to the American experience.

20          “(3) GRANT.—The term ‘grant’ includes a loan,  
21          a contract, and a cooperative agreement.

22          “(4) GROUP.—The term ‘group’ includes any  
23          State, regional, or local arts agency, and any non-  
24          profit organization or institution in the United  
25          States, whether or not incorporated.

1           “(5) *HUMANITIES.*—*The term ‘humanities’ in-*  
2 *cludes—*

3           “(A) *the study and interpretation of—*

4           “(i) *language, both modern and classi-*  
5 *cal, linguistics, literature, history, jurispru-*  
6 *dence, philosophy, archaeology, comparative*  
7 *religion, and ethics;*

8           “(ii) *the history, criticism, and theory*  
9 *of the arts;*

10          “(iii) *folklore and folklife; and*

11          “(iv) *the aspects of the social sciences*  
12 *that have humanistic content and employ*  
13 *humanistic methods; and*

14          “(B) *the study and application of the hu-*  
15 *manities described in subparagraph (A) to the*  
16 *human environment with particular attention*  
17 *to—*

18          “(i) *reflecting the heritage, traditions,*  
19 *and history of the United States; and*

20          “(ii) *the relevance of the humanities*  
21 *described in subparagraph (A) to the condi-*  
22 *tions of national life.*

23          “(6) *PROGRAM INCOME.*—

24          “(A) *IN GENERAL.*—*The term ‘program in-*  
25 *come’ means any money that is earned or re-*

1           *ceived, by a recipient of a grant made under title*  
2           *II or III, from an activity supported by the*  
3           *funds made available through the grant or from*  
4           *a product resulting from or related to an activ-*  
5           *ity carried out under the grant.*

6           “(B) *TYPES OF INCOME.*—*The term in-*  
7           *cludes—*

8                   “(i) *income from a fee for service per-*  
9                   *formed, or from the sale of an item created,*  
10                   *under the grant;*

11                   “(ii) *income from a licensing fee on a*  
12                   *product related to an activity carried out*  
13                   *under the grant;*

14                   “(iii) *a usage or rental fee for equip-*  
15                   *ment or property acquired under the grant;*

16                   “(iv) *an admission fee for an activity*  
17                   *carried out under the grant;*

18                   “(v) *income from a broadcast or dis-*  
19                   *tribution right for such an activity; and*

20                   “(vi) *a royalty on a patent or copy-*  
21                   *right for such an activity.*

22           “(7) *REGIONAL GROUP.*—*The term ‘regional*  
23           *group’ means any multistate group, whether or not*  
24           *representative of contiguous States.*

1           “(8) *STATE*.—The term ‘State’ includes, in addi-  
 2           tion to the several States of the United States, the  
 3           Commonwealth of Puerto Rico, the District of Colum-  
 4           bia, Guam, American Samoa, the Commonwealth of  
 5           the Northern Mariana Islands, and the United States  
 6           Virgin Islands.

7           “(9) *UNDERSERVED COMMUNITIES*.—The term  
 8           ‘underserved communities’ means those communities  
 9           that have historically been outside the purview of arts  
 10          and humanities programs.

11       **“TITLE I—NATIONAL FOUNDA-**  
 12       **TION ON THE ARTS AND THE**  
 13       **HUMANITIES**

14       **“SEC. 101. ESTABLISHMENT OF THE NATIONAL FOUNDA-**  
 15       **TION ON THE ARTS AND THE HUMANITIES.**

16       “(a) *ESTABLISHMENT*.—There is established a Na-  
 17       tional Foundation on the Arts and the Humanities (referred  
 18       to in this Act as the ‘Foundation’), which shall be composed  
 19       of a National Endowment for the Arts, a National Endow-  
 20       ment for the Humanities (each of which may be referred  
 21       to in this section as an ‘Endowment’), and an Institute of  
 22       Museum and Library Services.

23       “(b) *PURPOSE*.—The purpose of the Foundation shall  
 24       be to develop and promote a national policy of support for  
 25       the arts and the humanities in the United States.

1       “(c) *LIMITATION.*—*In the administration of this Act*  
2 *no department, agency, officer, or employee of the United*  
3 *States shall exercise any direction, supervision, or control*  
4 *over the policy determination, personnel, or curriculum, or*  
5 *the administration or operation of any school or other non-*  
6 *Federal agency, institution, organization, or association.*

7       “(d) *DONATIONS, BEQUESTS, AND DEVISES.*—

8           “(1) *IN GENERAL.*—*In any case in which any*  
9 *money or other property is donated, bequeathed, or*  
10 *devised to the Foundation without designation of the*  
11 *Endowment for the benefit of which the money or*  
12 *property is intended, each Chairperson of an Endow-*  
13 *ment shall have authority to receive such money or*  
14 *property.*

15           “(2) *UNRESTRICTED DONATIONS, BEQUESTS, AND*  
16 *DEVISES.*—*Except as provided in paragraph (3), un-*  
17 *less the Chairpersons of the Endowments agree other-*  
18 *wise, the money or property described in paragraph*  
19 *(1) shall be deemed to have been donated, bequeathed,*  
20 *or devised in equal shares to each Endowment.*

21           “(3) *RESTRICTED DONATIONS, BEQUESTS, AND*  
22 *DEVISES.*—*In any case in which any money or prop-*  
23 *erty is donated, bequeathed, or devised to the Founda-*  
24 *tion with a condition or restriction, such money or*  
25 *property shall be deemed to have been donated, be-*

1        *queathed, or devised to the Endowment whose func-*  
2        *tion it is to carry out the purposes of the condition*  
3        *or restriction.*

4        *“(e) TAX LAWS.—For the purposes of the income tax,*  
5        *gift tax, and estate tax laws of the United States, any*  
6        *money or other property donated, bequeathed, or devised to*  
7        *the Foundation or one of the Endowments and received by*  
8        *the Chairperson of an Endowment pursuant to this section,*  
9        *section 207, or section 307 shall be deemed to have been*  
10       *donated, bequeathed, or devised to or for the use of the*  
11       *United States.*

12       **“SEC. 102. GENERAL LIMITATIONS ON GRANTS.**

13       *“None of the grants awarded under this Act shall be*  
14       *used for the purposes of lobbying or for providing general*  
15       *membership services for groups.*

16       **“SEC. 103. JOINT ADMINISTRATION.**

17       *“(a) INSPECTOR GENERAL.—There shall be in the*  
18       *Foundation a single Office of the Inspector General for the*  
19       *National Endowment for the Arts and the National Endow-*  
20       *ment for the Humanities. The Office shall be headed by 1*  
21       *Inspector General appointed in accordance with the Inspec-*  
22       *tor General Act of 1978 (5 U.S.C. App.). The Inspector Gen-*  
23       *eral shall carry out the duties prescribed in such Act, in-*  
24       *cluding conducting appropriate reviews to ensure that re-*  
25       *cipients of grants under titles II and III comply with the*

1 *applicable regulations and procedures established under this*  
2 *Act, including regulations relating to accounting and fi-*  
3 *nancial matters.*

4       “(b) *REPORTING.*—*The Inspector General for the Na-*  
5 *tional Endowment for the Arts and the National Endow-*  
6 *ment for the Humanities shall report—*

7               “(1) *to the Chairperson of the National Endow-*  
8 *ment for the Arts with respect to matters relating to*  
9 *the National Endowment for the Arts; and*

10              “(2) *to the Chairperson of the National Endow-*  
11 *ment for the Humanities with respect to matters re-*  
12 *lating to the National Endowment for the Human-*  
13 *ities.*

14       “(c) *OTHER FUNCTIONS.*—*The Chairperson of the Na-*  
15 *tional Endowment for the Arts and Chairperson of the Na-*  
16 *tional Endowment for the Humanities shall ensure non-*  
17 *duplication of administrative functions, such as provision*  
18 *of facilities and space, records management, contracting,*  
19 *procurement, printing, and provision of mail and library*  
20 *services. The Chairpersons shall enter into an interagency*  
21 *agreement to jointly carry out the functions with the mini-*  
22 *imum necessary expense.*

23       “(d) *REPORT.*—*Not later than 60 days after the date*  
24 *of enactment of the Arts, Humanities, and Museums*  
25 *Amendments of 1995, the Chairperson of the National En-*

1 *dowment for the Arts and the Chairperson of the National*  
2 *Endowment for the Humanities shall jointly prepare and*  
3 *submit to the appropriate committees of Congress a report*  
4 *containing a plan that describes the manner in which the*  
5 *Chairpersons will jointly carry out the functions described*  
6 *in subsection (c). Not later than 180 days after such date*  
7 *of enactment, the Chairpersons shall implement the plan.*

8 **“SEC. 104. STUDY ON A TRUE ENDOWMENT.**

9       “(a) *IN GENERAL.*—*The Chairperson of the National*  
10 *Endowment for the Arts and the Chairperson of the Na-*  
11 *tional Endowment for the Humanities, in consultation with*  
12 *persons with expertise in the arts, humanities, business,*  
13 *charitable giving, and copyright, industries, and other ap-*  
14 *propriate Federal agencies, shall jointly conduct, or con-*  
15 *tract for, a study on the feasibility of establishing a true*  
16 *endowment for the National Endowment for the Arts and*  
17 *the National Endowment for the Humanities in order to*  
18 *provide supplemental funding to support the efforts of the*  
19 *National Endowment for the Arts and the National Endow-*  
20 *ment for the Humanities, respectively.*

21       “(b) *SCOPE OF STUDY.*—*The study described in sub-*  
22 *section (a) shall examine innovative methods through which*  
23 *a true endowment may be funded, including such methods*  
24 *as private fundraising, an extension of a copyright term,*  
25 *recapture of funds from past grants of the National Endow-*

1 *ment for the Arts and the National Endowment for the Hu-*  
2 *manities that have proven profitable, or any other innova-*  
3 *tive methods the Chairpersons determine appropriate.*

4       “(c) *REPORT.*—Not later than 1 year after the date  
5 on which funding is made available under this Act to con-  
6 duct the study described in subsection (a), the Chairperson  
7 of the National Endowment for the Arts and the Chair-  
8 person of the National Endowment for the Humanities shall  
9 jointly prepare and submit to the appropriate committees  
10 of Congress a report containing recommendations on the in-  
11 novative methods through which the true endowment may  
12 be funded to support efforts described in subsection (a).

13 **“SEC. 105. AUTHORIZATION OF APPROPRIATIONS.**

14       “(a) *NATIONAL ENDOWMENT FOR THE ARTS.*—

15               “(1) *IN GENERAL.*—

16                       “(A) *TOTAL AUTHORIZATION.*—There are  
17 authorized to be appropriated to carry out the  
18 activities of the National Endowment for the  
19 Arts under this Act \$153,900,000 for fiscal year  
20 1996, \$146,205,000 for fiscal year 1997,  
21 \$138,895,000 for fiscal year 1998, \$131,950,000  
22 for fiscal year 1999, and \$125,353,000 for fiscal  
23 year 2000.

1           “(B) *GENERAL RESERVATIONS.*—*There shall*  
2 *be reserved amounts sufficient to carry out sub-*  
3 *section (c)(1).*

4           “(C) *RESERVATION FOR PARTNERSHIP*  
5 *GRANTS.*—*40 percent of the amount appro-*  
6 *priated for a fiscal year under subparagraph (A)*  
7 *and remaining after amounts are reserved under*  
8 *subparagraph (B) shall be reserved for making*  
9 *grants under section 202(c).*

10          “(D) *RESERVATION FOR NATIONAL SIGNIFI-*  
11 *CANCE GRANTS.*—*40 percent of the amount ap-*  
12 *propriated for a fiscal year under subparagraph*  
13 *(A) and remaining after amounts are reserved*  
14 *under subparagraph (B) shall be reserved for*  
15 *making grants under section 202(d).*

16          “(E) *RESERVATION FOR DIRECT GRANTS.*—  
17 *10 percent of the amount appropriated for a fis-*  
18 *cal year under subparagraph (A) and remaining*  
19 *after amounts are reserved under subparagraph*  
20 *(B) shall be reserved for making grants under*  
21 *section 202(e).*

22          “(F) *RESERVATION FOR ARTS EDUCATION*  
23 *AND UNDERSERVED COMMUNITIES GRANTS.*—*10*  
24 *percent of the amount appropriated for a fiscal*  
25 *year under subparagraph (A) and remaining*

1           *after amounts are reserved under subparagraph*  
2           *(B) shall be reserved for making grants under*  
3           *section 202(f).*

4           “(2) *SUMS REMAINING AVAILABLE.*—*Sums ap-*  
5           *propriated pursuant to paragraph (1) for any fiscal*  
6           *year shall remain available for obligation until ex-*  
7           *pended.*

8           “(b) *NATIONAL ENDOWMENT FOR THE HUMANITIES.*—

9           “(1) *IN GENERAL.*—

10           “(A) *TOTAL AUTHORIZATION.*—*There are*  
11           *authorized to be appropriated to carry out the*  
12           *activities of the National Endowment for the*  
13           *Humanities under this Act \$160,117,000 for fis-*  
14           *cal year 1996, \$152,111,000 for fiscal year 1997,*  
15           *\$144,505,000 for fiscal year 1998, \$137,260,000*  
16           *for fiscal year 1999, and \$130,397,000 for fiscal*  
17           *year 2000.*

18           “(B) *GENERAL RESERVATIONS.*—*There shall*  
19           *be reserved amounts sufficient to carry out sub-*  
20           *section (c)(2).*

21           “(C) *RESERVATION FOR PARTNERSHIP*  
22           *GRANTS.*—*30 percent of the amount appro-*  
23           *priated for a fiscal year under subparagraph (A)*  
24           *and remaining after amounts are reserved under*  
25           *subparagraph (B) shall be reserved for making*

1           *grants under section 302(c). Of the amount re-*  
2           *served under this subparagraph, 5 percent of*  
3           *such amount shall be made available for activi-*  
4           *ties relating to elementary and secondary edu-*  
5           *cation in the humanities.*

6           “(D) *RESERVATION FOR NATIONAL*  
7           *GRANTS.—35 percent of the amount appro-*  
8           *priated for a fiscal year under subparagraph (A)*  
9           *and remaining after amounts are reserved under*  
10           *subparagraph (B) shall be reserved for making*  
11           *grants under section 302(d).*

12           “(E) *RESERVATION FOR RESEARCH AND*  
13           *SCHOLARSHIP GRANTS.—35 percent of the*  
14           *amount appropriated for a fiscal year under*  
15           *subparagraph (A) and remaining after amounts*  
16           *are reserved under subparagraph (B) shall be re-*  
17           *served for making grants under section 302(e).*

18           “(2) *SUMS REMAINING AVAILABLE.—Sums ap-*  
19           *propriated pursuant to paragraph (1) for any fiscal*  
20           *year shall remain available for obligation until ex-*  
21           *pended.*

22           “(c) *ADMINISTRATION.—*

23           “(1) *NATIONAL ENDOWMENT FOR THE ARTS.—*

24           “(A) *IN GENERAL.—Not more than 12 per-*  
25           *cent of the amount appropriated for a fiscal year*

1           under subsection (a)(1)(A) may be made avail-  
2           able for the costs of administering title II, or any  
3           other program for which the Chairperson of the  
4           National Endowment for the Arts is responsible,  
5           of which—

6                   “(i) not more than \$100,000 shall be  
7                   made available for the President’s Commit-  
8                   tee on the Arts and the Humanities, none of  
9                   which may be used to reimburse members of  
10                  the Committee for travel and related ex-  
11                  penses; and

12                   “(ii) not to exceed \$100,000 shall be  
13                   made available for fiscal year 1996 from  
14                   amounts received under section 207(a)(2)  
15                   for official reception and representation ex-  
16                   penses and not to exceed \$50,000 shall be  
17                   made available for each subsequent fiscal  
18                   year from such amounts for such expenses.

19                  “(B) REDUCTIONS.—In addition to the  
20                  amount reserved in subparagraph (A), not more  
21                  than 3 percent of the amount appropriated for a  
22                  fiscal year under subsection (a)(1)(A) may be  
23                  made available solely for the costs of carrying  
24                  out the payment of—

1           “(i) employee severance pay under sec-  
2           tion 5595 of title 5, United States Code, or  
3           employee severance pay under any other  
4           provision of law; and

5           “(ii) employee buy out programs as  
6           authorized by law.

7           “(2) NATIONAL ENDOWMENT FOR THE HUMAN-  
8           ITIES.—Not more than 12 percent of the amount ap-  
9           propriated for a fiscal year under subsection (b)(1)(A)  
10          may be made available for the costs of administering  
11          title III, or any other program for which the Chair-  
12          person of the National Endowment for the Human-  
13          ities is responsible, of which—

14               “(A) not more than \$100,000 shall be made  
15               available for the President’s Committee on the  
16               Arts and the Humanities, none of which may be  
17               used to reimburse members of the Committee for  
18               travel and related expenses; and

19               “(B) not to exceed \$100,000 shall be made  
20               available for fiscal year 1996 from amounts re-  
21               ceived under section 307(a)(2) for official recep-  
22               tion and representation expenses and not to ex-  
23               ceed \$50,000 shall be made available for each  
24               subsequent fiscal year from such amounts for  
25               such expenses, except that this paragraph shall

1           *not apply to expenses associated with the award*  
 2           *established under section 310(1).*

3           **“TITLE II—NATIONAL**  
 4           **ENDOWMENT FOR THE ARTS**

5           **“SEC. 201. DEFINITIONS.**

6           *“As used in this title:*

7           *“(1) DEVELOPING ARTS ORGANIZATION.—The*  
 8           *term ‘developing arts organization’ means a local arts*  
 9           *organization of high artistic promise that—*

10           *“(A) serves as an important source of local*  
 11           *arts programming in a community; and*

12           *“(B) has the potential to broaden public ac-*  
 13           *cess to the arts in rural and urban underserved*  
 14           *communities.*

15           *“(2) FINAL JUDGMENT.—The term ‘final judg-*  
 16           *ment’ means a judgment that is either—*

17           *“(A) not reviewed by any other court that*  
 18           *has authority to review such judgment; or*

19           *“(B) is not reviewable by any other court.*

20           *“(3) LOCAL ARTS AGENCY.—The term ‘local arts*  
 21           *agency’ means a community organization, or an*  
 22           *agency of local government, that primarily provides*  
 23           *financial support, services, or other programs for art-*  
 24           *ists and arts organizations, for the benefit of the com-*  
 25           *munity as a whole.*

1           “(4) *OBSCENE; DETERMINED TO BE OBSCENE.*—

2           “(A) *OBSCENE.*—*The term ‘obscene’ means,*  
3 *with respect to a project, production, or work-*  
4 *shop that—*

5           “(i) *the average person, applying con-*  
6 *temporary community standards, would*  
7 *find that such project, production, or work-*  
8 *shop, when taken as a whole, appeals to the*  
9 *prurient interest;*

10           “(ii) *such project, production, or work-*  
11 *shop depicts or describes sexual conduct in*  
12 *a patently offensive way; and*

13           “(iii) *such project, production, or*  
14 *workshop, when taken as a whole, lacks seri-*  
15 *ous literary, artistic, political or scientific*  
16 *value.*

17           “(B) *DETERMINED TO BE OBSCENE.*—*The*  
18 *term ‘determined to be obscene’ means deter-*  
19 *mined, in a final judgment of a court of record*  
20 *and of competent jurisdiction in the United*  
21 *States, to be obscene.*

22           “(5) *PRODUCTION.*—*The term ‘production’*  
23 *means any activity involving the execution or ren-*  
24 *dition of the arts and meeting such standards as may*  
25 *be approved by the Chairperson of the Endowment.*

1           “(6) *PROJECT*.—

2                   “(A) *IN GENERAL*.—The term ‘project’  
3           means a program organized to carry out the ob-  
4           jectives of this Act, including a program to foster  
5           United States artistic creativity, to commission  
6           a work of art, or to develop and enhance the  
7           widest public access, knowledge, and understand-  
8           ing of the arts, and includes, where appropriate,  
9           rental or purchase of a facility, rental or pur-  
10          chase of land, and acquisition of equipment.

11                  “(B) *RENOVATION OR CONSTRUCTION*.—  
12          Such term also includes—

13                   “(i) the renovation of a facility if—

14                           “(I) the amount of the expendi-  
15                           ture of Federal funds for such purpose  
16                           in the case of any facility does not ex-  
17                           ceed \$250,000; and

18                           “(II) two-thirds of the members of  
19                           the National Council on the Arts (who  
20                           are present and voting) recommend a  
21                           grant involving an expenditure for  
22                           such purpose; and

23                           “(ii) with respect to a grant under sec-  
24                           tion 202(d), the construction of a facility,  
25                           if—

1                   “(I) such construction is for dem-  
 2                   onstration purposes or under unusual  
 3                   circumstances in which there is no  
 4                   other manner by which to accomplish  
 5                   an artistic purpose; and

6                   “(II) two-thirds of the members of  
 7                   the National Council on the Arts (who  
 8                   are present and voting) recommend a  
 9                   grant involving an expenditure for  
 10                  such purpose.

11                  “(7) *WORKSHOP*.—The term ‘workshop’ means a  
 12                  program the primary purpose of which is to encour-  
 13                  age the artistic development or enjoyment of amateur,  
 14                  student, or other participants.

15                  **“SEC. 202. ESTABLISHMENT OF THE NATIONAL ENDOW-**  
 16                  **MENT FOR THE ARTS.**

17                  “(a) *ESTABLISHMENT*.—There is established within  
 18                  the Foundation a National Endowment for the Arts (re-  
 19                  ferred to in this title as the ‘Endowment’).

20                  “(b) *CHAIRPERSON*.—

21                  “(1) *APPOINTMENT*.—The Endowment shall be  
 22                  headed by a chairperson, to be known as the Chair-  
 23                  person of the Endowment (referred to in this title as  
 24                  the ‘Chairperson’), who shall be appointed by the

1       *President, by and with the advice and consent of the*  
2       *Senate.*

3           “(2) *TERM.*—

4                   “(A) *IN GENERAL.*—*The term of office of the*  
5                   *Chairperson shall be 4 years, except that any*  
6                   *Chairperson appointed to fill a vacancy shall*  
7                   *serve for the remainder of the term for which the*  
8                   *predecessor of the Chairperson was appointed.*  
9                   *Notwithstanding any other provision of this sub-*  
10                   *paragraph, on the expiration of the term of office*  
11                   *of the Chairperson, the Chairperson shall serve*  
12                   *until the successor to the Chairperson is ap-*  
13                   *pointed and has qualified.*

14                   “(B) *REAPPOINTMENT.*—*The Chairperson*  
15                   *shall be eligible for reappointment.*

16           “(c) *PARTNERSHIP GRANTS.*—

17                   “(1) *PURPOSES.*—*The purpose of this subsection*  
18                   *is to make grants to States and local and regional*  
19                   *groups to establish local arts activities, with pref-*  
20                   *erence to arts education and projects that reach rural*  
21                   *and urban underserved communities.*

22                   “(2) *GRANTS TO STATES.*—

23                   “(A) *AUTHORITY.*—*Using the funds reserved*  
24                   *under section 105(a)(1)(C), the Chairperson, act-*  
25                   *ing on the recommendation of the National*

1           *Council on the Arts, shall establish and carry*  
2           *out a program of basic State grants to assist*  
3           *States—*

4                     *“(i)(I) in supporting projects, produc-*  
5                     *tions, or workshops that meet the standard*  
6                     *of artistic excellence and artistic merit and*  
7                     *that fulfill the purposes of this Act; and*

8                     *“(II) in developing projects, produc-*  
9                     *tions, or workshops that will furnish pro-*  
10                    *grams, facilities, and services in the arts to*  
11                    *people and communities in each of the*  
12                    *States; and*

13                    *“(ii) in carrying out activities that—*

14                             *“(I) stimulate artistic activity*  
15                             *and awareness, and broaden public ac-*  
16                             *cess to the arts, in rural and urban*  
17                             *underserved communities;*

18                             *“(II) enhance the artistic capa-*  
19                             *bilities of developing arts organizations*  
20                             *through artistic, programmatic, and*  
21                             *staff development; or*

22                             *“(III) provide technical assistance*  
23                             *to developing arts organizations to im-*  
24                             *prove managerial and organizational*

1                    *skills, financial systems management,*  
2                    *and long-range fiscal planning.*

3                    “(B) *APPLICATION.*—*In order to receive a*  
4                    *grant under this paragraph for any fiscal year,*  
5                    *a State shall submit an application described in*  
6                    *section 203 for such grant at such time and in*  
7                    *such manner as shall be specified by the Chair-*  
8                    *person and accompany such application with a*  
9                    *State plan that the Chairperson finds—*

10                    *“(i) designates or provides for the es-*  
11                    *tablishment of a State agency (referred to in*  
12                    *this section as the ‘State agency’) as the sole*  
13                    *agency for the administration of the State*  
14                    *plan;*

15                    *“(ii) provides that funds paid to the*  
16                    *State under this paragraph will be ex-*  
17                    *pended solely on projects, productions, or*  
18                    *workshops described in subparagraph (A)*  
19                    *and approved by the State agency;*

20                    *“(iii) provides that the State agency*  
21                    *will make such reports, in such manner and*  
22                    *containing such information, as the Chair-*  
23                    *person may from time to time require, in-*  
24                    *cluding a description of the progress made*

1           *toward achieving the objectives of the State*  
2           *plan;*

3           “(iv) provides—

4                   “(I) *an assurance that the State*  
5                   *agency has held, after reasonable no-*  
6                   *tice, public meetings in the State to*  
7                   *allow groups of artists, interested*  
8                   *groups, and the public to present views*  
9                   *and make recommendations regarding*  
10                   *the State plan; and*

11                   “(II) *a summary of such rec-*  
12                   *ommendations and the response of the*  
13                   *State agency to such recommendations;*  
14                   *and*

15           “(v) contains—

16                   “(I) *for the most recent preceding*  
17                   *year for which information is avail-*  
18                   *able, a description of the level of par-*  
19                   *ticipation by artists, artists’ organiza-*  
20                   *tions, and arts groups in projects, pro-*  
21                   *ductions, or workshops supported by*  
22                   *funding from the State agency under*  
23                   *this paragraph, and a description of*  
24                   *the extent to which projects, produc-*  
25                   *tions, or workshops supported by fund-*

1            *ing from the State agency under this*  
2            *paragraph were available to all people*  
3            *and communities in the State, espe-*  
4            *cially underserved communities; and*

5            *“(II) a description of projects,*  
6            *productions, or workshops supported*  
7            *by funding from the State agency*  
8            *under this paragraph that exist or are*  
9            *being developed to secure wider partici-*  
10           *pation of artists, artists’ organizations,*  
11           *and arts organizations described in*  
12           *subclause (I) or that address the avail-*  
13           *ability of the arts to all people or com-*  
14           *munities described in subclause (I).*

15           *“(C) APPROVAL.—The Chairperson may not*  
16           *approve an application described in subpara-*  
17           *graph (B) unless the accompanying State plan*  
18           *satisfies the requirements specified in subpara-*  
19           *graph (B).*

20           *“(D) ALLOTMENTS.—*

21           *“(i) IN GENERAL.—Of the sums avail-*  
22           *able to carry out this paragraph for any*  
23           *fiscal year, each State that has an applica-*  
24           *tion approved by the Chairperson shall be*  
25           *allotted at least \$200,000.*

1           “(ii) *INSUFFICIENT FUNDS.*—If the  
2           sums available to carry out this paragraph  
3           for any fiscal year are insufficient to make  
4           the allotments under clause (i) in full, such  
5           sums shall be allotted so that each such  
6           State receives an equal amount.

7           “(iii) *EXCESS FUNDS.*—In any case in  
8           which the sums available to carry out this  
9           paragraph for any fiscal year are in excess  
10          of the amount required to make the allot-  
11          ments under clause (i)—

12               “(I) the amount of such excess  
13               that is not greater than 25 percent of  
14               the sums available to carry out this  
15               paragraph for such fiscal year shall be  
16               available to the Chairperson for mak-  
17               ing grants under this paragraph to  
18               States and, in accordance with sub-  
19               paragraph (H), regional groups; and

20               “(II) the amount of such excess for  
21               such fiscal year, if any, that remains  
22               after reserving in full for the Chair-  
23               person the amount required under  
24               subclause (I) shall be allotted so that  
25               each State that has an application ap-

1           *proved by the Chair receives an equal*  
2           *amount;*

3           *but in no event shall any State be allotted*  
4           *less than \$200,000 under this paragraph.*

5           “(E) *FEDERAL SHARE.*—

6           “(i) *IN GENERAL.*—*Funding provided*  
7           *through a grant made under this paragraph*  
8           *to a State for any fiscal year shall be avail-*  
9           *able to each State that has an application*  
10           *approved by the Chairperson, and has the*  
11           *State plan accompanying the application*  
12           *in effect on the first day of such fiscal year,*  
13           *to pay not more than 50 percent of the total*  
14           *cost of carrying out any activity described*  
15           *in subparagraph (A).*

16           “(ii) *EXCESS PORTION.*—*Except as*  
17           *provided in clause (iii), the portion of the*  
18           *funding provided through any grant made*  
19           *under subparagraph (D)(i) to a State for*  
20           *any fiscal year that exceeds \$125,000 shall*  
21           *be available, at the discretion of the Chair-*  
22           *person, to pay not more than 100 percent of*  
23           *such cost of carrying out an activity under*  
24           *this paragraph if such activity would be*

1            *unavailable to the residents of the State*  
2            *without such portion.*

3            *“(iii) PERCENTAGE OF GRANT*  
4            *FUNDS.—The portion of the funding de-*  
5            *scribed in clause (ii) for any fiscal year*  
6            *that is available to pay not more than 100*  
7            *percent of such cost, as described in clause*  
8            *(ii), shall not exceed 20 percent of the total*  
9            *funding provided through such grant for*  
10           *such fiscal year.*

11           *“(F) PROHIBITION ON SUPPLANTING NON-*  
12           *FEDERAL FUNDS.—Funds made available under*  
13           *this paragraph shall be used to supplement, and*  
14           *shall not supplant, non-Federal funds expended*  
15           *for supporting activities described in subpara-*  
16           *graph (A).*

17           *“(G) UNOBLIGATED FUNDS.—Any amount*  
18           *allotted to a State under subparagraph (D)(i) for*  
19           *any fiscal year that is not obligated by the State*  
20           *earlier than 60 days prior to the end of the fiscal*  
21           *year for which the amount is appropriated shall*  
22           *be available for making grants to regional*  
23           *groups.*

24           *“(H) SPECIAL RULE.—The provisions of*  
25           *this paragraph (other than subparagraph (D))*

1           *shall apply to regional groups receiving grants*  
2           *under this paragraph in such manner, and to*  
3           *such extent, as the Chairperson shall by regula-*  
4           *tion prescribe.*

5           “(I) *DEFINITION.*—*As used in subpara-*  
6           *graph (D)(iii)(II) and notwithstanding section*  
7           *3(8), the term ‘State’ includes, in addition to the*  
8           *several States of the United States, only the ju-*  
9           *risdictions specified in such section that have a*  
10           *population of 200,000 or more, according to the*  
11           *latest decennial census.*

12           “(d) *NATIONAL SIGNIFICANCE GRANTS.*—

13           “(1) *PURPOSE.*—*The purpose of this subsection*  
14           *is to make grants to groups, including regional*  
15           *groups, of demonstrated and substantial artistic and*  
16           *cultural importance, for projects, productions, and*  
17           *workshops that will increase the access of all the peo-*  
18           *ple of the United States, especially underserved com-*  
19           *munities, to the best of the arts and culture of the*  
20           *United States.*

21           “(2) *IN GENERAL.*—*Using funds reserved under*  
22           *section 105(a)(1)(D), the Chairperson, acting on the*  
23           *recommendation of the National Council on the Arts,*  
24           *may establish and carry out a program of grants to*  
25           *groups who meet the standard of artistic excellence*

1 *and artistic merit and who are engaged in or con-*  
 2 *cerned with the arts, for the purpose of paying for*  
 3 *the Federal share of the cost of—*

4 *“(A) enabling the groups to provide or sup-*  
 5 *port projects, productions, or workshops de-*  
 6 *scribed in paragraph (3) that will have a na-*  
 7 *tional, regional, or otherwise substantial artistic*  
 8 *or cultural impact; or*

9 *“(B) providing administrative and manage-*  
 10 *ment improvements for the groups, particularly*  
 11 *in the field of long-range financial planning, in-*  
 12 *cluding increasing levels of community support*  
 13 *and the range of contributors to the programs of*  
 14 *such groups.*

15 *“(3) PROJECTS, PRODUCTIONS, AND WORK-*  
 16 *SHOPS.—*

17 *“(A) REQUIRED ELEMENTS.—Each such*  
 18 *project, production, or workshop shall—*

19 *“(i) have substantial national or re-*  
 20 *gional cultural significance, and encourage*  
 21 *professional excellence; or*

22 *“(ii)(I) have significant merit; and*

23 *“(II) be a project, production, or work-*  
 24 *shop that, if such a group did not receive a*

1           *grant, might otherwise be unavailable to*  
2           *citizens for geographic or economic reasons.*

3           “(B) *PERMISSIBLE ELEMENTS.*—*Each such*  
4           *project, production, or workshop may—*

5                   “(i) *encourage access to, education in,*  
6                   *and knowledge, understanding, enjoyment,*  
7                   *and appreciation of, the arts by the public;*

8                   “(ii) *enhance managerial and organi-*  
9                   *zational skills and capabilities;*

10                   “(iii) *use technology to broaden public*  
11                   *access to the arts;*

12                   “(iv) *expand access to the arts for in-*  
13                   *dividuals with disabilities; or*

14                   “(v) *promote access to the arts for mi-*  
15                   *nority or underserved populations.*

16           “(4) *FEDERAL SHARE REQUIREMENT.*—

17                   “(A) *IN GENERAL.*—*Except as provided in*  
18                   *subparagraphs (B) and (C), in the case of any*  
19                   *grant made under this subsection, the Federal*  
20                   *share described in paragraph (2) shall be 25 per-*  
21                   *cent.*

22                   “(B) *CERTAIN GROUPS.*—*In the case of any*  
23                   *grant made under this subsection to a group*  
24                   *with an annual budget in excess of \$3,000,000,*

1           the Federal share described in paragraph (2)  
2           shall be 16.67 percent.

3           “(C) *ADJUSTMENTS.*—The Chairperson may  
4           increase the Federal share applicable under this  
5           subsection for a designated grant recipient, with  
6           review by the National Council on the Arts. The  
7           Chairperson shall not increase the Federal share  
8           above 50 percent for the recipient. Not more than  
9           10 percent of the funds made available by the  
10          Endowment for grants under this subsection for  
11          any fiscal year may be available for grants for  
12          the fiscal year for which the Chairperson in-  
13          creases the applicable Federal share.

14          “(5) *PRIORITY.*—In awarding grants under this  
15          subsection, the Chairperson shall give priority to  
16          projects, productions, and workshops that increase the  
17          access of the public of the United States, especially  
18          underserved communities, to culture and the arts, in-  
19          cluding access by touring, by regional or national dis-  
20          semination, or by geographic dispersion.

21          “(e) *DIRECT GRANTS.*—

22          “(1) *PURPOSE.*—The purpose of this subsection  
23          is to make grants to groups, and individuals, that are  
24          broadly representative of the cultural heritage of the  
25          United States and broadly geographically representa-

1     *tive, for projects, productions, and workshops of the*  
2     *highest artistic excellence and artistic merit.*

3             “(2) *IN GENERAL.*—Using funds reserved under  
4     *section 105(a)(1)(E), the Chairperson, acting on the*  
5     *recommendation of the National Council on the Arts,*  
6     *may establish and carry out a program of grants to*  
7     *groups, or individuals who meet the standard of artis-*  
8     *tic excellence and artistic merit and who are engaged*  
9     *in or concerned with the arts, to pay for the Federal*  
10    *share of the cost of projects, productions, or workshops*  
11    *that meet the standard of artistic excellence and artis-*  
12    *tic merit and that fulfill the purposes of this Act.*

13            “(3) *FEDERAL SHARE REQUIREMENT.*—The Fed-  
14    *eral share described in paragraph (2) shall be 50 per-*  
15    *cent.*

16            “(4) *PRIORITY.*—In awarding grants under this  
17    *subsection, the Chairperson shall give priority to*  
18    *projects, productions, and workshops that will be dis-*  
19    *seminated widely after completion.*

20            “(5) *ADJUSTMENTS.*—The Chairperson may in-  
21    *crease the Federal share applicable under this sub-*  
22    *section for a designated grant recipient, with review*  
23    *by the National Council on the Arts. Not more than*  
24    *20 percent of the funds made available by the Endow-*  
25    *ment for grants under this subsection for any fiscal*

1     *year may be available for grants for the fiscal year*  
2     *for which the Chairperson increases the applicable*  
3     *Federal share.*

4             “(6) *SPECIAL RULE FOR GRANTS TO INDIVID-*  
5     *UALS.—The Chairperson shall only award a grant in*  
6     *accordance with this section to an individual de-*  
7     *scribed in paragraph (2) if such grant is awarded to*  
8     *such individual for a literature fellowship.*

9             “(f) *ARTS EDUCATION AND UNDERSERVED COMMU-*  
10    *NITIES GRANTS.—*

11             “(1) *IN GENERAL.—Using the funds reserved*  
12     *under section 105(a)(1)(F), the Chairperson, acting*  
13     *on the recommendation of the National Council on the*  
14     *Arts, may establish and carry out a program of*  
15     *grants to State arts agencies, or other local or re-*  
16     *gional groups, to pay for the Federal share of the cost*  
17     *of carrying out activities that—*

18             “(A) *promote and improve the availability*  
19     *of arts instruction, and improve the quality of*  
20     *arts education, through support of lifelong learn-*  
21     *ing in the arts;*

22             “(B) *enhance the quality of arts instruction*  
23     *in programs of teacher education;*

24             “(C) *develop arts faculty resources and tal-*  
25     *ents;*

1           “(D) support and encourage the develop-  
2           ment of improved curriculum materials in the  
3           arts;

4           “(E) support apprenticeships, internships,  
5           and other career oriented work-study experiences  
6           for artists and arts teachers, and encourage  
7           residencies of artists at all educational levels;

8           “(F) stimulate artistic activity and aware-  
9           ness, and broaden public access to the arts, in  
10          underserved communities;

11          “(G) enhance the artistic capabilities of de-  
12          veloping arts organizations in underserved com-  
13          munities through artistic, programmatic, and  
14          staff development; or

15          “(H) provide technical assistance to devel-  
16          oping arts organizations in underserved commu-  
17          nities to improve managerial and organizational  
18          skills, financial systems management, and long-  
19          range fiscal planning.

20          “(2) APPLICATION.—In order to receive a grant  
21          under paragraph (1) for any fiscal year, a State arts  
22          agency, or regional or local group shall submit an ap-  
23          plication described in section 203 for such grant at  
24          such time, in such manner, and accompanied by such  
25          information, as shall be specified by the Chairperson.

1           “(3) *FEDERAL SHARE.*—The Federal share de-  
2           scribed in paragraph (1) shall be 50 percent.

3   **“SEC. 203. APPLICATION PROCEDURES.**

4           “(a) *APPLICATION REQUIREMENT.*—No grant shall be  
5           made under this title to any person unless the person sub-  
6           mits an application to the Chairperson in accordance with  
7           regulations and procedures established by the Chairperson.

8           “(b) *PROCEDURES.*—

9           “(1) *IN GENERAL.*—

10           “(A) *CONSIDERATIONS.*—In establishing  
11           such regulations and procedures for applications,  
12           the Chairperson shall ensure that—

13                   “(i) *artistic excellence and artistic*  
14                   *merit of the projects, productions, and*  
15                   *workshops described in the application are*  
16                   *the criteria by which the applications are*  
17                   *judged by advisory panels described in sec-*  
18                   *tion 204, taking into consideration general*  
19                   *standards of decency and respect for the di-*  
20                   *verse beliefs and values of the public of the*  
21                   *United States;*

22                   “(ii) *in selecting groups as recipients*  
23                   *of grants under section 202, the Chairperson*  
24                   *shall give preference to artistically rural*  
25                   *and urban underserved communities and*

1           *artists and artistic groups that have tradi-*  
2           *tionally been underrepresented in the arts;*  
3           *and*

4                   “(iii) *the projects, productions, and*  
5           *workshops described in the applications,*  
6           *and awards of grants under this title, are*  
7           *consistent with the objectives of section 202*  
8           *and this section.*

9                   “(B) *OBSCENITY PROVISIONS.—Such regu-*  
10          *lations and procedures shall clearly indicate that*  
11          *obscenity is without artistic merit, is not pro-*  
12          *tected speech, and shall not be funded under this*  
13          *title. Projects, productions, and workshops that*  
14          *are determined to be obscene shall be prohibited*  
15          *from receiving grants under this title from the*  
16          *Endowment.*

17                  “(2) *CONSIDERATIONS FOR THE CHAIR-*  
18          *PERSON.—In considering an application for a grant*  
19          *under this title, the Chairperson shall consider the ex-*  
20          *tent to which the projects, productions, and workshops*  
21          *described in the application fulfill the purposes of this*  
22          *Act, as well as their artistic excellence and artistic*  
23          *merit, as determined by the Chairperson.*

24                  “(3) *CONSTRUCTION.—The disapproval or ap-*  
25          *proval by the Chairperson of an application for a*

1       *grant under this title shall not be construed to mean,*  
2       *and shall not be considered to be evidence that, the*  
3       *project, production, or workshop, for which the appli-*  
4       *cant requested a grant, is or is not obscene.*

5       **“SEC. 204. ADVISORY PANELS.**

6           “(a) *IN GENERAL.*—*The Chairperson shall utilize re-*  
7       *view by advisory panels—*

8                   “(1) *as the first step in the review of applica-*  
9       *tions submitted under this Act; and*

10                   “(2) *to make recommendations to the National*  
11       *Council on the Arts in all cases involving requests for*  
12       *grants authorized under this title, except cases in*  
13       *which the Chairperson exercises authority delegated*  
14       *under section 205(f)(2).*

15           “(b) *PROCEDURES.*—

16                   “(1) *CRITERIA.*—*In reviewing the applications,*  
17       *such panels shall recommend applications for projects,*  
18       *productions, and workshops on the basis of artistic ex-*  
19       *cellence and artistic merit, consistent with section*  
20       *203(b)(1)(A)(i).*

21                   “(2) *AMOUNTS.*—*The panels may recommend*  
22       *only general ranges of funding to be provided through*  
23       *the grants and may not recommend specific amounts*  
24       *of such funding.*

1           “(3) *REGULATIONS AND PROCEDURES.*—The  
2           *Chairperson shall issue regulations and establish pro-*  
3           *cedures to—*

4                   “(A) *ensure that all the panels are com-*  
5                   *posed, to the extent practicable, of individuals*  
6                   *providing a wide geographic, ethnic, and minor-*  
7                   *ity representation as well as individuals reflect-*  
8                   *ing diverse artistic and cultural points of view;*

9                   “(B) *ensure that all the panels include at*  
10                  *least 2 members representing lay individuals*  
11                  *who are—*

12                           “(i) *knowledgeable about the arts;*

13                           “(ii) *not engaged in the arts as a pro-*  
14                           *fession; and*

15                           “(iii) *not employees of either artists’*  
16                           *organizations or arts organizations;*

17                   “(C) *ensure that, when feasible, the proce-*  
18                   *dures used by the panels to carry out their re-*  
19                   *sponsibilities are standardized;*

20                   “(D) *require each such panel—*

21                           “(i) *to create written records summa-*  
22                           *rizing—*

23                                   “(I) *all meetings and discussions*  
24                                   *of such panel; and*

1                   “(II) the recommendations made  
2                   by such panel to the Council; and

3                   “(ii) to make such records available to  
4                   the public in a manner that protects the  
5                   privacy of individual applicants and panel  
6                   members;

7                   “(E) permit, when necessary and feasible, a  
8                   site visit to view the work of an applicant and  
9                   deliver a written report on the work being re-  
10                  viewed, in order to assist panelists in making  
11                  their recommendations;

12                  “(F)(i) require that the membership of each  
13                  such panel change substantially from year to  
14                  year; and

15                  “(ii) provide that no individual be eligible  
16                  to serve on such a panel for more than 5 years,  
17                  no 2 of which may be consecutive; and

18                  “(G) ensure that the panels recommend  
19                  more applicants for grants than are anticipated  
20                  can be provided funding through the grants with  
21                  available funds.

22                  “(4) PROHIBITION ON CONFLICTS OF INTER-  
23                  EST.—

24                  “(A) IN GENERAL.—In making appoint-  
25                  ments to the panels, the Chairperson shall ensure

1           that an individual who has a pending applica-  
2           tion for a grant authorized under this title, who  
3           is an employee or agent of an organization with  
4           such a pending application, or who has a direct  
5           or indirect financial interest in any application  
6           under consideration by such a panel, does not  
7           serve as a member of any panel before which  
8           such application is pending.

9           “(B) *DURATION.*—The prohibition described  
10          in subparagraph (A) shall commence with re-  
11          spect to such individual beginning on the date  
12          such application is submitted, and shall continue  
13          until a final decision on the application has been  
14          reached by the Chairperson.

15   **“SEC. 205. NATIONAL COUNCIL ON THE ARTS.**

16          “(a) *ESTABLISHMENT.*—There is established within  
17          the Endowment a National Council on the Arts (referred  
18          to in this section as the ‘Council’).

19          “(b) *COMPOSITION.*—

20                 “(1) *IN GENERAL.*—The Council shall be com-  
21                 posed of the Chairperson of the Endowment, who shall  
22                 be the Chairperson of the Council, and 20 other mem-  
23                 bers appointed by the President, by and with the ad-  
24                 vice and consent of the Senate, who shall be selected—

1           “(A) from among private citizens of the  
2           United States who—

3                   “(i) are widely recognized for their  
4                   broad knowledge of, or expertise in, the arts;  
5                   and

6                   “(ii) have established records of distin-  
7                   guished service, or achieved eminence, in the  
8                   arts;

9           “(B) so as to include practicing artists,  
10           civic cultural leaders, members of cultural profes-  
11           sions, and others who are professionally engaged  
12           in the arts; and

13                   “(C) so as collectively to provide an appro-  
14                   priate distribution of members among the major  
15                   art fields.

16           “(2) QUALIFICATIONS.—The President may, in  
17           making such appointments, give consideration to such  
18           recommendations as may, from time to time, be sub-  
19           mitted to the President by leading national organiza-  
20           tions in the major art fields. In making such appoint-  
21           ments, the President shall give due regard to equitable  
22           representation of women, racially and ethnically di-  
23           verse individuals, and individuals with disabilities,  
24           who are involved in the arts. Members of the Council

1     *shall be appointed so as to represent equitably geo-*  
2     *graphical areas in the United States.*

3     “(c) *TERMS.*—

4         “(1) *IN GENERAL.*—

5             “(A) *STAGGERED TERMS.*—*Each member of*  
6     *the Council shall serve for a term of 6 years, and*  
7     *the terms shall be staggered.*

8             “(B) *EXPIRATION.*—*Except as provided in*  
9     *paragraph (2), the terms of all Council members*  
10    *shall expire on the third day of September in the*  
11    *year of expiration.*

12            “(C) *REAPPOINTMENT AFTER PARTIAL*  
13    *TERM.*—*Each member who has served on the*  
14    *Council for 1 term of less than 3 years shall be*  
15    *eligible for reappointment for 1 term of 6 years.*

16            “(D) *VACANCY APPOINTMENTS.*—*Any mem-*  
17    *ber appointed to fill a vacancy shall serve for the*  
18    *remainder of the term for which the predecessor*  
19    *of the member was appointed.*

20            “(E) *HOLDOVER SERVICE.*—*Notwithstand-*  
21    *ing any other provision of this subsection, a*  
22    *member of the Council shall serve after the expi-*  
23    *ration of the term of the member until the succes-*  
24    *or to the member takes office.*

25            “(2) *ADJUSTMENT TO REDUCE COUNCIL.*—

1           “(A) *EXPIRATION OF TERMS.*—*The terms of*  
2           *10 members of the Council whose terms would*  
3           *otherwise expire on September 3, 1996 shall be*  
4           *deemed to expire on January 1, 1996.*

5           “(B) *TERMS.*—*The President shall appoint*  
6           *4 members of the Council to succeed members*  
7           *whose terms are deemed to expire as described in*  
8           *subparagraph (A). The terms of the successors*  
9           *shall expire on September 3, 2002.*

10          “(d) *COMPENSATION.*—*Members of the Council shall*  
11          *receive compensation at a rate to be fixed by the Chair-*  
12          *person but not to exceed the daily equivalent of the maxi-*  
13          *mum rate authorized for a position above grade GS-15 of*  
14          *the General Schedule under section 5108 of title 5, United*  
15          *States Code, and be allowed travel expenses including per*  
16          *diem in lieu of subsistence, in the same amounts and to*  
17          *the same extent, as authorized under section 5703 of title*  
18          *5, United States Code, for persons employed intermittently*  
19          *in Federal Government service.*

20          “(e) *MEETINGS AND DUTIES.*—

21                 “(1) *MEETINGS.*—*The Council shall meet at the*  
22                 *call of the Chairperson but not less often than twice*  
23                 *during each calendar year. Eleven members of the*  
24                 *Council shall constitute a quorum. All policy meet-*  
25                 *ings of the Council shall be open to the public.*

1           “(2) *DUTIES.*—*The Council shall—*

2                   “(A) *advise the Chairperson with respect to*  
3                   *policies, programs, and procedures for carrying*  
4                   *out the functions of the Chairperson under this*  
5                   *title;*

6                   “(B) *review applications for grants author-*  
7                   *ized under this title and make recommendations*  
8                   *to the Chairperson with respect to—*

9                           “(i) *whether to approve particular ap-*  
10                           *plications for grants authorized under this*  
11                           *title that have been determined by advisory*  
12                           *panels to have artistic excellence and artis-*  
13                           *tic merit; and*

14                           “(ii) *the amount of funding that the*  
15                           *Chairperson should provide through such a*  
16                           *grant with respect to each such application*  
17                           *the Council recommends for approval;*

18                   “(C) *use as criteria for the recommenda-*  
19                   *tions of the Council—*

20                           “(i) *the extent to which the works de-*  
21                           *scribed in the applications fulfill the pur-*  
22                           *poses of this Act;*

23                           “(ii) *the artistic excellence and artistic*  
24                           *merit of the works described in the applica-*  
25                           *tions; and*

1                   “(iii) the extent to which the applicant  
2                   serves an underserved community,  
3                   as determined by each Council member;

4                   “(D) recommend more applications for  
5                   funding through grants than are anticipated can  
6                   be provided funding through the grants with  
7                   available funds;

8                   “(E) create written records summarizing—

9                   “(i) all meetings and discussions of the  
10                  Council; and

11                  “(ii) recommendations made by the  
12                  Council to the Chairperson; and

13                  “(F) make such records available to the  
14                  public in a manner that protects the privacy of  
15                  individual applicants for grants authorized  
16                  under this title, advisory panel members, and  
17                  Council members.

18                  “(f) ACTIONS BY CHAIRPERSON.—

19                  “(1) IN GENERAL.—The Chairperson shall not  
20                  approve or disapprove any application for a grant  
21                  authorized under this title until the Chairperson has  
22                  received the recommendation of the Council on such  
23                  application. The Chairperson shall have final author-  
24                  ity to approve each such application, and shall deter-  
25                  mine the final amount of funding through any grant

1       *awarded. The Chairperson may not approve an ap-*  
2       *plication with respect to which the Council makes a*  
3       *negative recommendation.*

4               “(2) *DELEGATIONS.—In the case of an applica-*  
5       *tion, or amendment of an application, submitted*  
6       *under this title and involving \$35,000 or less, or a re-*  
7       *quest for change in a grant amount of 20 percent or*  
8       *less, the Chairperson may approve or disapprove such*  
9       *application, amendment, or request, if such action is*  
10       *taken pursuant to the terms of an express and direct*  
11       *delegation of authority from the Council to the Chair-*  
12       *person, and if each such action by the Chairperson is*  
13       *reported to the Council at the next regularly scheduled*  
14       *meeting of the Council. Such action by the Chair-*  
15       *person shall be used with discretion and shall not be-*  
16       *come a normal practice of providing funding through*  
17       *a grant authorized under this title. The terms of any*  
18       *such delegation of authority shall not permit obliga-*  
19       *tions for expenditure of funds under such delegation*  
20       *for any fiscal year that exceed an amount equal to 2*  
21       *percent of the sums appropriated for the fiscal year*  
22       *pursuant to section 105(a)(1).*

23       **“SEC. 206. LIMITATIONS ON GRANTS.**

24               “(a) *PROHIBITION ON SUBGRANTS.—The Chairperson*  
25       *shall establish procedures to ensure that no funding pro-*

1 vided through a grant under this title, except a grant made  
2 to a State or regional group, may be used to make a grant  
3 to any other organization or individual to conduct activity  
4 independent of the direct grant recipient. Nothing in this  
5 subsection shall prohibit payments made in exchange for  
6 goods or services rendered.

7       “(b) *PROHIBITION ON SEASONAL SUPPORT.*—No grant  
8 awarded under this title shall be used for seasonal support  
9 to a group.

10       “(c) *USE OF FUNDS FOR PROJECTS, PRODUCTIONS,*  
11 *AND WORKSHOPS IN SPECIFIED DISCIPLINES.*—Each  
12 project, production, or workshop funded under this title  
13 shall relate to arts, as defined in section 3.

14       “(d) *LABOR STANDARDS.*—

15               “(1) *IN GENERAL.*—It shall be a condition of the  
16 receipt of any grant under this title that the grant re-  
17 cipient furnish adequate assurances to the Secretary  
18 of Labor that—

19                       “(A) all professional performers and related  
20 or supporting professional personnel employed  
21 on projects or productions, or in workshops, that  
22 are financed in whole or in part under this title  
23 will be paid, without subsequent deduction or re-  
24 bate on any account, not less than the minimum  
25 compensation as determined by the Secretary of

1           *Labor to be the prevailing minimum compensa-*  
2           *tion for persons employed in similar activities;*  
3           *and*

4                   “(B) *no part of any project, production, or*  
5           *workshop that is financed in whole or in part*  
6           *under this title will be performed or engaged in*  
7           *under working conditions that are unsanitary or*  
8           *hazardous or dangerous to the health and safety*  
9           *of the employees engaged in such project, produc-*  
10           *tion, or workshop.*

11                   “(2) *EVIDENCE.—Compliance with the safety*  
12           *and sanitary laws of the State in which the project,*  
13           *production, or workshop described in paragraph*  
14           *(1)(B) is to take place shall be prima facie evidence*  
15           *of compliance with the assurance described in para-*  
16           *graph (1)(B).*

17                   “(3) *STANDARDS, REGULATIONS, AND PROCE-*  
18           *DURES.—The Secretary of Labor shall have the au-*  
19           *thority to prescribe such standards, regulations, and*  
20           *procedures as the Secretary of Labor may determine*  
21           *to be necessary or appropriate to carry out this sub-*  
22           *section.*

23                   “(e) *LIMITATION ON GRANT AWARD.—*

24                   “(1) *INDIVIDUALS.—No individual may receive*  
25           *more than 2 grant awards under this title.*

1           “(2) *AGENCIES AND ORGANIZATIONS.*—No group,  
2           *other than a State arts agency, may receive more*  
3           *than 3 grant awards in a fiscal year under this title,*  
4           *except that this paragraph shall not apply to a group*  
5           *that has entered into a cooperative agreement with*  
6           *the Endowment to receive assistance under this title.*

7           “(f) *REQUIREMENTS FOR GROUPS.*—A group shall be  
8           *eligible for a grant under this title if—*

9                   “(1) *no part of the net earnings of the group in-*  
10                  *ures to the benefit of any private stockholder, or indi-*  
11                  *vidual; and*

12                   “(2) *a donation to such group is allowable as a*  
13                  *charitable contribution under section 170(c) of the In-*  
14                  *ternal Revenue Code of 1986.*

15           “(g) *CITIZENSHIP REQUIREMENTS FOR INDIVID-*  
16           *UALS.*—An individual shall be eligible to receive a direct  
17           *grant under this title if at the time such grant is received*  
18           *such individual—*

19                   “(1) *is a citizen or other national of the United*  
20                  *States; or*

21                   “(2) *is an alien lawfully admitted to the United*  
22                  *States for permanent residence who—*

23                           “(A) *has filed an application for natu-*  
24                           *ralization in the manner prescribed by section*

1           334 of the Immigration and Nationality Act (8  
2           U.S.C. 1445); and

3           “(B) is not permanently ineligible to be-  
4           come a citizen of the United States.

5           “(h) *INSTALLMENTS.*—The Chairperson shall establish  
6           procedures to provide for the distribution of funding pro-  
7           vided through grants made under this title to recipients in  
8           installments except in exceptional cases in which the Chair-  
9           person determines that installments are not practicable. In  
10          providing any such installments to a recipient of a grant  
11          under this title, the Chairperson shall ensure that—

12           “(1) not more than two-thirds of such funding  
13          may be provided at the time the application for the  
14          grant is approved; and

15           “(2) the remainder of such funding may not be  
16          provided until the Chairperson finds that the recipi-  
17          ent of such grant is complying substantially with this  
18          Act and with the conditions under which such fund-  
19          ing is provided to such recipient.

20          “(i) *LOANS.*—Any loan made by the Chairperson  
21          under this title shall be made in accordance with terms and  
22          conditions approved by the Secretary of the Treasury.

23          **“SEC. 207. ADMINISTRATIVE PROVISIONS.**

24           “(a) *AUTHORITIES OF CHAIRPERSON.*—In addition to  
25          any authorities vested in the Chairperson by other provi-

1 *sions of this Act, the Chairperson, in carrying out the func-*  
2 *tions of the Chairperson, shall have authority—*

3           “(1) to prescribe such regulations and procedures  
4           *as the Chairperson determines to be necessary govern-*  
5           *ing the manner in which the functions of the Chair-*  
6           *person shall be carried out;*

7           “(2)(A) to solicit, accept, receive, invest, and use  
8           *money and other property donated, bequeathed, or de-*  
9           *vised to the Endowment, either absolutely or in trust,*  
10           *with or without a condition or restriction, including*  
11           *a condition that the Chairperson use other funds of*  
12           *the Endowment for the purposes of the donation, be-*  
13           *quest, or devise; and*

14           “(B) to sell or otherwise dispose of such property,  
15           *for purposes of carrying out the activities of the En-*  
16           *dowment under this title;*

17           “(3) to appoint and determine the compensation  
18           *of such employees, subject to title 5, United States*  
19           *Code, as may be necessary to carry out the functions*  
20           *of the Chairperson, define their duties, and supervise*  
21           *and direct their activities;*

22           “(4) to procure the temporary and intermittent  
23           *services of experts and consultants, including panels*  
24           *of experts, and compensate the experts and consult-*

1        *ants in accordance with section 3109 of title 5, United States Code;*

2  
3            *“(5) to accept and utilize the voluntary services of individuals and reimburse the individuals for travel expenses, including per diem in lieu of subsistence, in the same amounts and to the same extent as authorized under section 5703 of title 5, United States Code, for persons employed intermittently in Federal Government service;*

4  
5  
6  
7  
8  
9  
10           *“(6) to make advance, progress, and other payments without regard to section 3324 of title 31, United States Code;*

11  
12           *“(7) to rent office space in the District of Columbia; and*

13  
14           *“(8) to make other necessary expenditures.*

15  
16           *“(b) PUBLICATIONS.—Official publications of the Endowment under this title may be supported without regard to the provisions of section 501 of title 44, United States Code, if the Chairperson consults with the Joint Committee on Printing of the Congress.*

17  
18  
19  
20  
21           *“(c) COORDINATION.—The Chairperson shall coordinate the programs of the Endowment, insofar as practicable, with other Federal programs and programs undertaken by other public agencies or private groups, and shall develop the programs of the Endowment with due regard*

1 *to the contribution to the objectives of this title that can*  
2 *be made by other Federal agencies under the existing pro-*  
3 *grams. The Chairperson may enter into interagency agree-*  
4 *ments to promote or assist with the arts-related activities*  
5 *of other Federal agencies, on a reimbursable or*  
6 *nonreimbursable basis, and may use funds authorized to be*  
7 *appropriated to carry out this title to pay for the costs of*  
8 *such promotion or assistance.*

9 **“SEC. 208. REPORTS.**

10       “(a) *ANNUAL REPORT OF CHAIRPERSON.*—*The Chair-*  
11 *person shall submit an annual report to the President for*  
12 *submission to the appropriate committees of Congress on*  
13 *or before the 15th day of April of each year. The report*  
14 *shall summarize the activities of the Endowment for the*  
15 *preceding year, and shall include such recommendations as*  
16 *the Chairperson determines to be appropriate.*

17       “(b) *FINANCIAL REPORTS AND COMPLIANCE.*—

18               “(1) *IN GENERAL.*—*It shall be a condition of the*  
19 *receipt of a grant made under this title by the Chair-*  
20 *person that—*

21                       “(A) *each applicant for such grant include*  
22 *in the application described in section 203—*

23                               “(i) *a detailed description of the pro-*  
24 *posed project, production, or workshop for*  
25 *which the grant is requested;*

1           “(ii) a timetable for the completion of  
2           such proposed project, production, or work-  
3           shop; and

4           “(iii) an assurance that the applicant  
5           will meet the standards of artistic excellence  
6           and artistic merit;

7           “(B)(i) each grant recipient under this title  
8           carry out the proposal consistent with the de-  
9           scription contained in the application, as ap-  
10          proved by the Chairperson for funding through  
11          the grant; and

12          “(ii) each such grant recipient seeking to  
13          change the activities carried out under the grant  
14          justify the requested change by a written request  
15          subject to approval by the Chairperson; and

16          “(C) each such grant recipient agree to and  
17          comply with requirements to submit to the  
18          Chairperson—

19                 “(i) interim reports, including an an-  
20                 nual report for each project, production, or  
21                 workshop carried out under the grant dur-  
22                 ing a period exceeding 1 year, describing  
23                 the progress of the grant recipient in carry-  
24                 ing out such project, production, or work-

1           *shop and compliance by the grant recipient*  
2           *with the conditions of receipt of such grant;*

3           “(ii) *financial reports containing such*  
4           *information as the Chairperson determines*  
5           *to be necessary to ensure that the funding*  
6           *made available through the grant is ex-*  
7           *pende d in accordance with the terms and*  
8           *conditions under which the grant is made;*

9           “(iii) *a final report describing the*  
10           *project, production, or workshop carried out*  
11           *with the funding provided through the grant*  
12           *and the compliance by the grant recipient*  
13           *with the conditions of receipt of such grant,*  
14           *including the condition that the work as-*  
15           *sisted meet the standards of artistic excel-*  
16           *lence and artistic merit; and*

17           “(iv) *in the case of a project or produc-*  
18           *tion, and if practicable, as determined by*  
19           *the Chairperson, a copy of such project or*  
20           *production.*

21           “(2) *REPORT REQUIREMENTS.—The Chairperson*  
22           *shall determine the appropriate form and timing of*  
23           *interim reporting described in paragraph (1)(C)(i)*  
24           *for a grant recipient under this title. The reports and*  
25           *copy described in clauses (ii), (iii), and (iv) of para-*

1        *graph (1)(C) shall be due not later than 90 days after*  
2        *the end of the period for which such grant recipient*  
3        *receives funding through the grant or 90 days after*  
4        *the completion of the project, production, or workshop,*  
5        *whichever occurs earlier. The Chairperson may extend*  
6        *the 90-day period if the recipient shows good cause*  
7        *why such an extension should be granted.*

8        *“(c) EVALUATION.—The Chairperson shall conduct a*  
9        *post-award evaluation of activities for which grants are*  
10       *made by the Chairperson under this title. Such evaluation*  
11       *may include an audit to determine the accuracy of the re-*  
12       *ports required to be submitted by grant recipients under*  
13       *subsection (b).*

14       *“(d) REPORTS.—The Chairperson shall establish pro-*  
15       *cedures to require that no additional funding shall be pro-*  
16       *vided to a recipient of a grant authorized under this title*  
17       *unless such recipient has submitted to the Chairperson all*  
18       *required interim, financial, and final reports under sub-*  
19       *section (b).*

20       **“SEC. 209. SANCTIONS AND PAYMENTS.**

21       *“(a) FAILURE TO SATISFY PURPOSES.—If any recipi-*  
22       *ent of a grant made under this title, or an indirect recipient*  
23       *of funding provided through the grant, substantially fails*  
24       *to satisfy the purposes for which such grant is made, as*  
25       *determined by the Chairperson, the Chairperson may—*

1           “(1) for purposes of determining whether to make  
2 any subsequent funding to the direct or indirect re-  
3 cipient under this title, take into consideration the re-  
4 sults of the post-award evaluation conducted under  
5 section 208(c);

6           “(2) prohibit the direct and indirect recipients  
7 from using the name of, or in any way associating  
8 the project, production, or workshop for which the  
9 grant was received with, the Endowment; and

10           “(3) if such project, production, or workshop is  
11 published, require that the publication contain the fol-  
12 lowing statement: ‘The opinions, findings, conclu-  
13 sions, and recommendations expressed in this publica-  
14 tion do not reflect the views of the National Endow-  
15 ment for the Arts.’

16           “(b) NONCOMPLIANCE.—

17           “(1) IN GENERAL.—The Chairperson shall take  
18 the actions described in paragraph (2) whenever the  
19 Chairperson, after providing reasonable notice and an  
20 opportunity for hearing, finds that—

21           “(A) a direct recipient of a grant under this  
22 title, or an indirect recipient of funding provided  
23 through the grant, is not complying substantially  
24 with the provisions of this title;

1           “(B) a State agency or regional group that  
2           received a grant under this title, or an indirect  
3           recipient of funding provided through the grant,  
4           is not complying substantially with the terms  
5           and conditions of the State plan accompanying  
6           the application approved for the grant under  
7           this title; or

8           “(C) any funding provided under this title  
9           to a recipient, State agency, or regional group  
10          described in subparagraph (A) or (B) has been  
11          diverted from the purposes for which such fund-  
12          ing was provided.

13          “(2) ACTIONS.—On making the finding described  
14          in paragraph (1), the Chairperson shall immediately  
15          notify the direct recipient, State agency, or regional  
16          group that received the funding at issue that—

17               “(A) no further funding will be provided  
18               under this title to such recipient, agency, or  
19               group until there is no longer any default or  
20               failure to comply or the diversion is corrected; or

21               “(B) if compliance or correction is impos-  
22               sible, until such recipient, agency, or group re-  
23               pays or arranges the repayment of the Federal  
24               funds that were improperly diverted or expended.

25          “(c) OBSCENE WORKS.—

1           “(1) *DETERMINATION.*—If, after providing rea-  
2           sonable notice and opportunity for a hearing on the  
3           record, the Chairperson determines that a direct re-  
4           cipient of a grant under this title, or an indirect re-  
5           cipient of funding provided through the grant, used  
6           the funding for a project, production, or workshop  
7           that is determined to be obscene, the Chairperson shall  
8           require that until the direct recipient repays such  
9           funding (in such amount, and under such terms and  
10          conditions, as the Chairperson determines to be ap-  
11          propriate) to the Endowment, no subsequent funding  
12          shall be provided under this title to such recipient.

13           “(2) *CREDITING.*—Funds repaid under this sub-  
14          section to the Endowment shall be deposited in the  
15          Treasury of the United States and credited as mis-  
16          cellaneous receipts.

17           “(3) *APPLICATION.*—

18           “(A) *TIMING.*—This subsection shall not  
19          apply with respect to grants made before October  
20          1, 1990.

21           “(B) *DURATION.*—This subsection shall not  
22          apply with respect to a project, production, or  
23          workshop after the expiration of the 7-year pe-  
24          riod beginning on the latest date on which a

1           *grant is made under this title for such project,*  
2           *production, or workshop.*

3           “(d) *RECAPTURE.*—

4           “(1) *IN GENERAL.*—*A recipient of funding under*  
5           *this title shall pay the amount described in para-*  
6           *graph (2) to the Endowment if the Chairperson finds*  
7           *that the recipient has derived net program income in*  
8           *excess of the match required under the terms of the*  
9           *agreement from a commercially successful project,*  
10           *production, or workshop funded that exceeds the lesser*  
11           *of—*

12                   “(A) *\$50,000; or*

13                   “(B) *twice the amount of the funding.*

14           “(2) *AMOUNT.*—*At the discretion of the Chair-*  
15           *person, the amount referred to in paragraph (1) is*  
16           *not less than  $\frac{1}{3}$  and not more than  $\frac{1}{2}$  of the amount*  
17           *of the net program income generated within 5 years*  
18           *after the end of the grant period, but not more than*  
19           *the amount of the funding, unless the Chairperson has*  
20           *reached an agreement with the grantee upon the*  
21           *award of a grant that the amount referred to in para-*  
22           *graph (1) shall exceed the amount of the grant.*

23           “(e) *ACCOUNT.*—*Except as otherwise provided in this*  
24           *Act, the Treasurer of the United States shall deposit funds*  
25           *paid under subsection (d), or repaid under this Act, in a*

1 *special interest bearing account to the credit of the Endow-*  
2 *ment.*

3 **“SEC. 210. AWARDS.**

4 “(a) *NATIONAL MEDAL OF ARTS.*—

5 “(1) *ESTABLISHMENT.*—*There is established a*  
6 *National Medal of Arts, which shall be a medal of*  
7 *such design as is determined to be appropriate by the*  
8 *President, on the basis of recommendations submitted*  
9 *by the National Council on the Arts, and which shall*  
10 *be awarded as provided in this subsection.*

11 “(2) *AWARDS.*—*The President shall from time to*  
12 *time award the National Medal of Arts, on the basis*  
13 *of recommendations from the National Council on the*  
14 *Arts, to individuals or groups who in the judgment*  
15 *of the President are deserving of special recognition*  
16 *by reason of their outstanding contributions to the ex-*  
17 *cellence, growth, support, and availability of the arts*  
18 *in the United States.*

19 “(3) *NUMBER OF MEDALS.*—*Not more than 12 of*  
20 *such medals may be awarded in any calendar year.*

21 “(4) *QUALIFICATIONS.*—*An individual may be*  
22 *awarded the National Medal of Arts if at the time*  
23 *such award is made such individual meets the re-*  
24 *quirements of section 206(g).*

1           “(5) *GROUPS.*—A group may be awarded the  
2           *National Medal of Arts* if such group is organized or  
3           *incorporated in the United States.*

4           “(6) *CEREMONIES.*—The presentation of the Na-  
5           *tional Medal of Arts* shall be made by the President  
6           *with such ceremonies as the President may determine*  
7           *to be appropriate, including attendance by appro-*  
8           *priate Members of Congress.*

9           “(b) *AWARD FOR DISTINGUISHED LIFETIME SERVICE*  
10          *FOR THE ARTS.*—

11           “(1) *ESTABLISHMENT.*—There is established an  
12           *Award for Distinguished Lifetime Service for the*  
13           *Arts.*

14           “(2) *CEREMONIES.*—The Chairperson shall  
15           *present the award described in paragraph (1) to each*  
16           *of the former Chairpersons of the Endowment in con-*  
17           *junction with such ceremonies as the Director may*  
18           *determine to be appropriate to celebrate the 30th an-*  
19           *niversary of the establishment of the Endowment.*

20           “(3) *EFFECTIVE DATE.*—Paragraphs (1) and (2)  
21           *shall be effective during the period beginning on the*  
22           *date of enactment of this section and ending on*  
23           *March 31, 1996.*

1       “(c) FUNDS.—The Chairperson shall use amounts re-  
 2       ceived by the National Endowment for the Arts under sec-  
 3       tion 207(a)(2) to carry out this section.

4       **“TITLE III—NATIONAL ENDOW-**  
 5       **MENT FOR THE HUMANITIES**

6       **“SEC. 301. DEFINITIONS.**

7       “As used in this title:

8               “(1) PROJECT.—

9                       “(A) IN GENERAL.—The term ‘project’  
 10                      means an activity organized to carry out the ob-  
 11                      jectives of this title.

12                     “(B) RENOVATION OR CONSTRUCTION.—  
 13                      Such term also includes—

14                               “(i) the renovation of a facility if—

15                                       “(I) the amount of the expendi-  
 16                                      ture of Federal funds for such purpose  
 17                                      in the case of any facility does not ex-  
 18                                      ceed \$250,000; and

19   “(II) two-thirds of the members of  
 20    the National Council on the Human-  
 21    ities (who are present and voting) rec-  
 22    ommend a grant involving an expendi-  
 23    ture for such purpose; and

24   “(ii) for purposes of section 302(d), the  
 25    construction of a facility if—

1                   “(I) such construction is for dem-  
2                   onstration purposes or under unusual  
3                   circumstances in which there is no  
4                   other manner by which to accomplish a  
5                   humanistic purpose; and

6                   “(II) two-thirds of the members of  
7                   the National Council on the Human-  
8                   ities (who are present and voting) rec-  
9                   ommend a grant involving an expendi-  
10                  ture for such purpose.

11               “(2) *WORKSHOP*.—The term ‘workshop’ means  
12               an activity the primary purpose of which is to pro-  
13               mote scholarship and teaching among the partici-  
14               pants.

15               **“SEC. 302. ESTABLISHMENT OF THE NATIONAL ENDOW-**  
16               **MENT FOR THE HUMANITIES.**

17               “(a) *ESTABLISHMENT*.—There is established within  
18               the Foundation a National Endowment for the Humanities  
19               (referred to in this title as the ‘Endowment’).

20               “(b) *CHAIRPERSON*.—

21               “(1) *APPOINTMENT*.—The Endowment shall be  
22               headed by a chairperson, to be known as the Chair-  
23               person of the Endowment (referred to in this title as  
24               the ‘Chairperson’), who shall be appointed by the

1       *President, by and with the advice and consent of the*  
2       *Senate.*

3             “(2) *TERM.*—

4                     “(A) *IN GENERAL.*—*The term of office of the*  
5                     *Chairperson shall be 4 years, except that any*  
6                     *Chairperson appointed to fill a vacancy shall*  
7                     *serve for the remainder of the term for which the*  
8                     *predecessor of the Chairperson was appointed.*  
9                     *Notwithstanding any other provision of this sub-*  
10                    *paragraph, on the expiration of the term of office*  
11                    *of the Chairperson, the Chairperson shall serve*  
12                    *until the successor to the Chairperson is ap-*  
13                    *pointed and has qualified.*

14                    “(B) *REAPPOINTMENT.*—*The Chairperson*  
15                    *shall be eligible for reappointment.*

16             “(c) *PARTNERSHIP GRANTS.*—

17                     “(1) *PURPOSE.*—*The purpose of this subsection*  
18                     *is to support programs of humanities councils at the*  
19                     *State and local levels.*

20                     “(2) *DEFINITION.*—

21                             “(A) *IN GENERAL.*—*Except as provided in*  
22                             *subparagraph (B), as used in this subsection, the*  
23                             *term ‘State entity’ means—*

1           “(i) a State that obtains approval of  
2           an application submitted under paragraph  
3           (4); or

4           “(ii) in a case in which a State fails  
5           to submit an application under paragraph  
6           (4), an appropriate entity that obtains ap-  
7           proval of an application submitted under  
8           paragraph (5).

9           “(B) JURISDICTION.—

10           “(i) STATE ENTITY.—As used in para-  
11           graph (6)(C)(ii), the term ‘State entity’  
12           means a State entity, as defined in sub-  
13           paragraph (A), for a State.

14           “(ii) STATE.—As used in clause (i),  
15           and notwithstanding section 3(8), the term  
16           ‘State’, includes, in addition to the several  
17           States of the United States, only the juris-  
18           dictions specified in such section that have  
19           a population of 200,000 or more, according  
20           to the latest decennial census.

21           “(3) GENERAL AUTHORITY.—Using funds re-  
22           served under section 105(b)(1)(C), the Chairperson,  
23           acting on the recommendation of the National Coun-  
24           cil on the Humanities, is authorized, in accordance  
25           with the provisions of this subsection, to establish and

1       *carry out a program of grants to assist State enti-*  
2       *ties—*

3               *“(A) in paying for not more than 50 per-*  
4               *cent of the cost (except as otherwise provided in*  
5               *this subsection) of supporting activities that*  
6               *achieve the objectives described in subparagraphs*  
7               *(A) through (F) of subsection (d)(2) and in sub-*  
8               *paragraphs (A) and (B) of subsection (e)(2); or*

9               *“(B) in matching contributions from non-*  
10              *Federal sources made to a trust fund the purpose*  
11              *of which is to provide long-term financial sup-*  
12              *port for such activities.*

13       *“(4) GRANTS THROUGH STATE AGENCIES.—*

14              *“(A) DESIGNATION.—In order to receive a*  
15              *grant under this subsection for any fiscal year,*  
16              *if a State desires to designate or to provide for*  
17              *the establishment of a State agency (referred to*  
18              *in this section as a ‘State agency’) as the sole*  
19              *agency for the administration of the State plan*  
20              *referred to in subparagraph (B) relating to the*  
21              *grant, such State shall designate as the State*  
22              *agency the humanities council or shall provide*  
23              *for the establishment of such a council.*

24              *“(B) APPLICATION AND STATE PLAN.—In*  
25              *any State that designates or provides for the es-*

1           *tablishment of a State agency as described in*  
2           *subparagraph (A), the chief executive officer of*  
3           *the State shall submit, before the beginning of*  
4           *each fiscal year, an application for a grant and*  
5           *accompany such application with a State plan*  
6           *that the Chairperson finds—*

7                     *“(i) designates or provides for the es-*  
8                     *tablishment of a State agency;*

9                     *“(ii) provides that the chief executive*  
10                    *officer of the State will appoint new mem-*  
11                    *bers to the State humanities council des-*  
12                    *ignated or established under subparagraph*  
13                    *(A), as vacancies occur as a result of the ex-*  
14                    *piration of the terms of members of such*  
15                    *council, until the chief executive officer has*  
16                    *appointed all of the members of such coun-*  
17                    *cil;*

18                    *“(iii) provides for the expenditure,*  
19                    *from State funds, of an amount equal to 50*  
20                    *percent of the portion of the funding re-*  
21                    *ceived by such State through a grant made*  
22                    *under paragraph (6)(A) (relating to the*  
23                    *minimum State allotment), or 25 percent of*  
24                    *the total amount of funding received by*  
25                    *such State through grants made under this*

1            *subsection, whichever is greater, for the fis-*  
2            *cal year involved (except as otherwise pro-*  
3            *vided in paragraph (7));*

4            *“(iv) provides that funds paid to the*  
5            *State under this subsection will be expended*  
6            *solely on activities, approved by the State*  
7            *agency, that—*

8            *“(I) achieve the objectives de-*  
9            *scribed in subparagraphs (A) through*  
10           *(F) of subsection (d)(2) and subpara-*  
11           *graphs (A) and (B) of subsection*  
12           *(e)(2); and*

13           *“(II) are designed to bring the hu-*  
14           *manities to the public;*

15           *“(v) provides assurances that State*  
16           *funds will be made available for the purpose*  
17           *of meeting the requirements of this subpara-*  
18           *graph;*

19           *“(vi) provides that the State agency*  
20           *will make such reports, in such manner and*  
21           *containing such information, as the Chair-*  
22           *person may from time to time require, in-*  
23           *cluding a description of the progress made*  
24           *toward achieving the objectives of the State*  
25           *plan;*

1           “(vii) provides—

2                   “(I) an assurance that the State  
3                   agency has held, after reasonable no-  
4                   tice, public meetings in the State to  
5                   allow scholars, interested organiza-  
6                   tions, and the public to present views  
7                   and make recommendations regarding  
8                   the State plan; and

9                   “(II) a summary of such rec-  
10                  ommendations and of the response of  
11                  the State agency to such recommenda-  
12                  tions; and

13           “(viii) contains—

14                   “(I) for the most recent preceding  
15                   year for which information is avail-  
16                   able, a description of the level of par-  
17                   ticipation by scholars and scholarly or-  
18                   ganizations in activities supported by  
19                   funding from the State agency under  
20                   this subsection and a description of the  
21                   extent to which the activities supported  
22                   by funding from the State agency  
23                   under this subsection were available to  
24                   all people and communities in the  
25                   State; and

1                   “(II) a description of activities  
2                   supported by funding from the State  
3                   agency under this subsection that exist  
4                   or are being developed to secure wider  
5                   participation of scholars and scholarly  
6                   organizations described in subclause  
7                   (I) or that address the availability of  
8                   the humanities to all people or commu-  
9                   nities described in subclause (I).

10                   “(C) APPROVAL.—The Chairperson may not  
11                   approve an application described in subpara-  
12                   graph (B) unless the accompanying State plan  
13                   satisfies the requirements specified in subpara-  
14                   graph (B).

15                   “(5) GRANTS TO APPROPRIATE ENTITIES.—

16                   “(A) DESIGNATION.—In any State in which  
17                   the chief executive officer of the State fails to sub-  
18                   mit an application under paragraph (4)(B) for  
19                   a fiscal year, the Chairperson may make grants  
20                   under paragraph (3) to an appropriate entity in  
21                   the State, and each such entity shall establish a  
22                   procedure that ensures that 8 members of the  
23                   governing body of such entity shall be appointed  
24                   by an appropriate officer or agency of such  
25                   State, except that in no event may the number

1           *of such members exceed 1/3 of the total member-*  
2           *ship of such governing body. The officer or agen-*  
3           *cy shall select the members from among individ-*  
4           *uals who have knowledge of or experience in the*  
5           *humanities.*

6           “(B) *APPLICATION AND PLAN.—If a State*  
7           *fails to submit an application under paragraph*  
8           *(4)(B) for a fiscal year, any appropriate entity*  
9           *in the State desiring to receive a grant under*  
10          *this subsection for the fiscal year shall submit an*  
11          *application for such grant at such time and in*  
12          *such manner as shall be specified by the Chair-*  
13          *person, and accompany such application with a*  
14          *State plan that the Chairperson finds—*

15                “(i) *provides assurances that such en-*  
16                *tity will comply with the requirements of*  
17                *subparagraph (A);*

18                “(ii) *provides that funds paid to such*  
19                *entity under this paragraph will be ex-*  
20                *pende solely on activities that—*

21                    “(I) *achieve the objectives de-*  
22                    *scribed in subparagraphs (A) through*  
23                    *(F) of subsection (d)(2) and subpara-*  
24                    *graphs (A) and (B) of subsection*  
25                    *(e)(2); and*

1                   “(II) are designed to bring the hu-  
2                   manities to the public;

3                   “(iii) establishes a membership policy  
4                   that is designed to ensure broad public rep-  
5                   resentation with respect to activities admin-  
6                   istered by such entity;

7                   “(iv) provides for a nomination process  
8                   that ensures opportunities for nomination  
9                   to membership in the governing body from  
10                  various groups in such State and from a  
11                  variety of segments of the population of  
12                  such State, including individuals who by  
13                  reason of their achievement, scholarship, or  
14                  creativity in the humanities, are especially  
15                  qualified to serve as members of the body;

16                  “(v) provides for a membership rota-  
17                  tion process that ensures the regular rota-  
18                  tion of the membership and officers of such  
19                  entity;

20                  “(vi) establishes reporting procedures  
21                  that are designed to inform the chief execu-  
22                  tive officer of such State, and other appro-  
23                  priate officers and agencies, of the activities  
24                  of such entity;

1           “(vii) establishes procedures to ensure  
2           public access to information relating to such  
3           activities;

4           “(viii) provides that such entity will  
5           make such reports, at such times, in such  
6           manner, and containing such information,  
7           as the Chairperson may require, including  
8           a description of the progress made toward  
9           achieving the objectives of the State plan;

10          “(ix) provides—

11               “(I) an assurance that the entity  
12               has held, after reasonable notice, public  
13               meetings in the State to allow scholars,  
14               interested organizations, and the pub-  
15               lic to present views and make rec-  
16               ommendations regarding the State  
17               plan; and

18               “(II) a summary of such rec-  
19               ommendations and of the response of  
20               the entity to such recommendations;  
21               and

22          “(x) contains—

23               “(I) for the most recent preceding  
24               year for which information is avail-  
25               able, a description of the level of par-

1            *icipation by scholars and scholarly or-*  
2            *ganizations in activities supported by*  
3            *funding from the entity under this sub-*  
4            *section, and a description of the extent*  
5            *to which activities supported by fund-*  
6            *ing from the entity under this sub-*  
7            *section were available to all people and*  
8            *communities in the State; and*

9            *“(II) a description of activities*  
10           *supported by funding from the entity*  
11           *under this subsection that exist or are*  
12           *being developed to secure wider partici-*  
13           *pation of scholars and scholarly orga-*  
14           *nizations described in subclause (I) or*  
15           *that address the availability of the hu-*  
16           *manities to all people or communities*  
17           *described in subclause (I).*

18           *“(C) APPROVAL.—The Chairperson may not*  
19           *approve an application described in subpara-*  
20           *graph (B) unless the accompanying plan satis-*  
21           *fies the requirements specified in subparagraph*  
22           *(B).*

23           *“(6) ALLOTMENTS.—*

24           *“(A) IN GENERAL.—Of the sums available*  
25           *to carry out this subsection for any fiscal year,*

1       each State entity shall be allotted at least  
2       \$200,000.

3               “(B) *INSUFFICIENT SUMS.*—If the sums  
4       available to carry out this subsection for any fis-  
5       cal year are insufficient to make the allotments  
6       under subparagraph (A) in full, such sums shall  
7       be allotted so that each State entity receives an  
8       equal amount.

9               “(C) *EXCESS FUNDS.*—In any case in  
10       which the sums available to carry out this sub-  
11       section for any fiscal year are in excess of the  
12       amount required to make the allotments under  
13       subparagraph (A)—

14               “(i) 34 percent of the amount of such  
15       excess for such fiscal year shall be available  
16       to the Chairperson for making grants under  
17       this subsection to State entities;

18               “(ii) 44 percent of the amount of such  
19       excess for such fiscal year shall be allotted  
20       so that each State entity receives an equal  
21       amount; and

22               “(iii) the remainder of the amount of  
23       such excess for such fiscal year shall be al-  
24       lotted so that each State entity receives an  
25       amount that bears the same ratio to such

1           *remainder as the population of the State for*  
2           *which the application is approved bears to*  
3           *the population of all the States.*

4           “(7) *LIMITATIONS.—*

5                 “(A) *FEDERAL SHARE.—*

6                     “(i) *IN GENERAL.—Funding provided*  
7                     *through a grant made under this subsection*  
8                     *to a State entity for any fiscal year shall be*  
9                     *available to each State entity that has an*  
10                    *application approved by the Chairperson,*  
11                    *and has the State plan accompanying the*  
12                    *application in effect on the first day of such*  
13                    *fiscal year, to pay not more than 50 percent*  
14                    *of the total cost of carrying out any activity*  
15                    *described in paragraph (3).*

16                    “(ii) *EXCESS PORTION.—Except as*  
17                    *provided in clause (iii), the portion of the*  
18                    *funding provided through any grant made*  
19                    *under paragraph (6)(A) to a State entity*  
20                    *for any fiscal year that exceeds \$125,000*  
21                    *shall be available, at the discretion of the*  
22                    *Chairperson, to pay not more than 100 per-*  
23                    *cent of such cost of carrying out an activity*  
24                    *under this subsection if such activity would*

1           *be unavailable to the residents of the State*  
2           *without such portion.*

3           “(iii) *PERCENTAGE OF GRANT*  
4           *FUNDS.—The portion of the funding de-*  
5           *scribed in clause (ii) for any fiscal year*  
6           *that is available to pay not more than 100*  
7           *percent of such cost, as described in clause*  
8           *(ii), shall not exceed 20 percent of the total*  
9           *of the funding provided through such grant*  
10           *for such fiscal year.*

11           “(B) *PROHIBITION ON SUPPLANTING NON-*  
12           *FEDERAL FUNDS.—Funds made available under*  
13           *this subsection shall be used to supplement, and*  
14           *shall not supplant, non-Federal funds expended*  
15           *for supporting activities described in paragraph*  
16           *(3).*

17           “(8) *UNOBLIGATED FUNDS.—Any amount allot-*  
18           *ted to a State entity under paragraph (6) for any fis-*  
19           *cal year that is not obligated by the State entity ear-*  
20           *lier than 60 days prior to the end of the fiscal year*  
21           *for which the amount is appropriated shall be avail-*  
22           *able for making grants under subsection (d) and (e).*

23           “(9) *LIMITATION ON MULTIPLE ENTITIES.—The*  
24           *Chairperson may not make grants under this sub-*  
25           *section to more than 1 entity in any State.*

1       “(d) NATIONAL GRANTS.—

2               “(1) PURPOSE.—The purpose of this subsection  
3       is to provide support for grants to groups, individ-  
4       uals, and State agencies or entities to carry out ac-  
5       tivities relating to education and the public human-  
6       ities that have a national audience and are of na-  
7       tional significance, such as activities relating to post-  
8       secondary education in the humanities, media  
9       projects, projects in museums and by historical orga-  
10      nizations, projects in libraries and archives, public  
11      humanities projects, endowment building, and tech-  
12      nology activities.

13              “(2) GENERAL AUTHORITY.—Using funds re-  
14      served under section 105(b)(1)(D), the Chairperson,  
15      acting on the recommendation of the National Coun-  
16      cil on the Humanities, may establish and carry out  
17      a program of grants to groups, or in appropriate  
18      cases individuals, which or who meet the standard of  
19      excellence in the humanities and significance in the  
20      humanities, or State agencies or entities, to pay for  
21      the Federal share of the cost of activities to—

22                      “(A) develop and encourage the pursuit of a  
23                      national policy to further the public good  
24                      through public funding of the humanities;

1           “(B) initiate and support research and pro-  
2           grams to strengthen the research and teaching  
3           potential of the United States in the humanities;

4           “(C) foster the exchange of information in  
5           the humanities;

6           “(D) foster education in, and public under-  
7           standing and appreciation of, the humanities;

8           “(E) support projects that foster or promote  
9           literacy;

10          “(F) ensure that the benefit of the programs  
11          of the Endowment will also be available to the  
12          citizens of the United States where such pro-  
13          grams would otherwise be unavailable due to geo-  
14          graphic or economic reasons;

15          “(G) enable groups and institutions to in-  
16          crease the levels of continuing support and to in-  
17          crease the range of contributors to the program  
18          of such organizations or institutions;

19          “(H) provide administrative and manage-  
20          ment improvements for groups and institutions,  
21          particularly in the field of long-range financial  
22          planning;

23          “(I) enable groups and institutions to in-  
24          crease audience participation in, and apprecia-

1           *tion of, programs sponsored by such organiza-*  
2           *tions and institutions;*

3           “(J) *develop new sources of long-term sup-*  
4           *port for educational, scholarly, and public pro-*  
5           *grams in the humanities, including renovating*  
6           *or constructing facilities, augmenting or estab-*  
7           *lishing endowment funds, and purchasing cap-*  
8           *ital equipment to ensure financial stability;*

9           “(K) *stimulate greater cooperation among*  
10          *cultural organizations and institutions especially*  
11          *designed to serve better the communities in*  
12          *which such organizations or institutions are lo-*  
13          *cated; and*

14          “(L) *foster greater citizen involvement in*  
15          *planning the cultural development of a commu-*  
16          *nity.*

17          “(3) *FEDERAL SHARE REQUIREMENT.—*

18                 “(A) *IN GENERAL.—With respect to the*  
19                 *total cost of all activities funded under para-*  
20                 *graph (2), the Federal share shall be 50 percent.*

21                 “(B) *SPECIAL RULE.—With respect to each*  
22                 *of the activities described in paragraph (2), the*  
23                 *Chairperson shall determine the portion of the*  
24                 *Federal share to be provided to a group or an in-*  
25                 *dividual described in paragraph (2).*

1           “(C) *ADJUSTMENT.*—Notwithstanding sub-  
2           paragraph (B), with respect to an activity de-  
3           scribed in paragraph (2)(J), the portion of the  
4           Federal share of the cost of such activity shall be  
5           25 percent.

6           “(e) *RESEARCH AND SCHOLARSHIP GRANTS.*—

7           “(1) *PURPOSE.*—The purpose of this subsection  
8           is to encourage the development and dissemination of  
9           significant scholarship in the humanities by groups,  
10          individuals, and State agencies or entities such as fel-  
11          lowships for college and university faculty and inde-  
12          pendent scholars, dissertation grants, summer sti-  
13          pends, and funds for scholarly publications, reference  
14          materials, basic research, institutional programs, and  
15          preservation.

16          “(2) *GENERAL AUTHORITY.*—Using funds re-  
17          served under section 105(b)(1)(E), the Chairperson,  
18          acting on the recommendation of the National Coun-  
19          cil on the Humanities, may establish and carry out  
20          a program of grants to groups, individuals, State  
21          agencies, and State entities for the purpose of paying  
22          for the Federal share of the cost of—

23                  “(A) *initiating and supporting (including*  
24                  *supporting through fellowships) training, work-*  
25                  *shops, programs, research, and publications, in*

1       *the humanities, that have substantial scholarly*  
2       *and cultural significance and that reach or re-*  
3       *fect the cultural heritage of the United States;*

4               “(B) *fostering projects that provide access*  
5       *to, and preserving materials important to re-*  
6       *search, education, and public understanding re-*  
7       *garding, the humanities;*

8               “(C) *enabling groups and institutions to in-*  
9       *crease the levels of continuing support and to in-*  
10       *crease the range of contributors to the program*  
11       *of such group or institutions;*

12               “(D) *providing administrative and man-*  
13       *agement improvements for cultural organizations*  
14       *and institutions, particularly in the field of*  
15       *long-range financial planning; and*

16               “(E) *developing new sources of long-term*  
17       *support for educational, scholarly, and public*  
18       *programs in the humanities, including renovat-*  
19       *ing or constructing facilities, augmenting or es-*  
20       *tablishing endowment funds, and purchasing*  
21       *capital equipment to ensure financial stability.*

22               “(3) *TRAINING; WORKSHOPS; RESEARCH.—A fel-*  
23       *lowship awarded to an individual under paragraph*  
24       *(2)(A) may be used for the purpose of supporting*  
25       *study or research at an appropriate nonprofit institu-*

1        *tion selected by the individual, for a stated period of*  
2        *time. The total amount of any grant under para-*  
3        *graph (2)(A) to any group engaging in workshop ac-*  
4        *tivities for which an admission or other charge is*  
5        *made to the general public shall not exceed 30 percent*  
6        *of the total cost of such activities.*

7            *“(4) CONSIDERATIONS.—In selecting a group or*  
8        *individual as a recipient of a grant to be made under*  
9        *this subsection, the Chairperson shall give particular*  
10       *regard to scholars, and educational and cultural in-*  
11       *stitutions, that traditionally have been*  
12       *underrepresented in the humanities.*

13           *“(5) FEDERAL SHARE.—*

14           *“(A) IN GENERAL.—With respect to the*  
15       *total cost of all activities funded under para-*  
16       *graph (2), the Federal share shall be 50 percent.*

17           *“(B) SPECIAL RULE.—With respect to each*  
18       *of the activities described in paragraph (2), the*  
19       *Chairperson shall determine the portion of the*  
20       *Federal share to be provided to a group or indi-*  
21       *vidual described in paragraph (2).*

22           *“(C) ADJUSTMENT.—Notwithstanding sub-*  
23       *paragraph (B), with respect to an activity de-*  
24       *scribed in paragraph (2)(E), the portion of the*

1           *Federal share of the cost of such activity shall*  
2           *be 25 percent.*

3   ***“SEC. 303. APPLICATION PROCEDURES.***

4           *“To be eligible to receive a grant under this title, a*  
5   *State, group, individual, agency, or organization shall sub-*  
6   *mit an application to the Chairperson at such time, in such*  
7   *manner, and containing such information as the Chair-*  
8   *person may prescribe.*

9   ***“SEC. 304. REVIEW PANELS.***

10          *“The Chairperson may select panels of experts under*  
11   *section 307(a)(4) to review and make recommendations*  
12   *with respect to the approval of applications for grants au-*  
13   *thorized under this title. In selecting the panels, the Chair-*  
14   *person shall appoint individuals who have exhibited exper-*  
15   *tise and leadership in the field under review, who broadly*  
16   *represent diverse humanistic perspectives and geographic*  
17   *factors, and who broadly represent cultural diversity.*

18   ***“SEC. 305. NATIONAL COUNCIL ON THE HUMANITIES.***

19          *“(a) ESTABLISHMENT.—There is established within*  
20   *the Endowment a National Council on the Humanities (re-*  
21   *ferred to in this section as the ‘Council’).*

22          *“(b) COMPOSITION.—*

23                 *“(1) IN GENERAL.—The Council shall be com-*  
24    *posed of the Chairperson of the Endowment, who shall*  
25    *be the Chairperson of the Council, and 20 other mem-*

1        *bers appointed by the President, by and with the ad-*  
2        *vice and consent of the Senate, who shall be selected—*

3                *“(A) from among private citizens of the*  
4                *United States who—*

5                        *“(i) are recognized for their broad*  
6                        *knowledge of, or expertise in, the human-*  
7                        *ities; and*

8                        *“(ii) have established records of distin-*  
9                        *guished service, or achieved eminence, in the*  
10                        *humanities;*

11                *“(B) so as to include scholars and others*  
12                *who are professionally engaged in the human-*  
13                *ities; and*

14                *“(C) so as collectively to provide an appro-*  
15                *priate distribution of members among the major*  
16                *humanities fields.*

17                *“(2) QUALIFICATIONS.—The President may, in*  
18                *making such appointments, give consideration to such*  
19                *recommendations as may, from time to time, be sub-*  
20                *mitted to the President by leading national organiza-*  
21                *tions in the major humanities fields. In making such*  
22                *appointments, the President shall give due regard to*  
23                *equitable representation of women, racially and eth-*  
24                *nically diverse individuals, and individuals with dis-*  
25                *abilities, who are involved in the humanities. Mem-*

1        *bers of the Council shall be appointed so as to rep-*  
2        *resent equitably geographical areas in the United*  
3        *States.*

4        “(c) *TERMS.—*

5            “(1) *IN GENERAL.—*

6                    “(A) *STAGGERED TERMS.—Each member of*  
7                    *the Council shall serve for a term of 6 years, and*  
8                    *the terms shall be staggered.*

9                    “(B) *EXPIRATION.—Except as provided in*  
10                   *paragraph (2), the terms of all Council members*  
11                   *shall expire on the third day of September in the*  
12                   *year of expiration.*

13                   “(C) *REAPPOINTMENT AFTER PARTIAL*  
14                   *TERM.—Each member who has served on the*  
15                   *Council for 1 term of less than 3 years shall be*  
16                   *eligible for reappointment for 1 term of 6 years.*

17                   “(D) *VACANCY APPOINTMENTS.—Any mem-*  
18                   *ber appointed to fill a vacancy shall serve for the*  
19                   *remainder of the term for which the predecessor*  
20                   *of the member was appointed.*

21                   “(E) *HOLDOVER SERVICE.—Notwithstand-*  
22                   *ing any other provision of this subsection, a*  
23                   *member of the Council shall serve after the expi-*  
24                   *ration of the term of the member until the succes-*  
25                   *or to the member takes office.*

1           “(2) *ADJUSTMENT TO REDUCE COUNCIL.*—

2                   “(A) *EXPIRATION OF TERMS.*—*The terms*  
3           *of—*

4                           “(i) *8 members of the Council whose*  
5                   *terms would otherwise expire on January*  
6                   *26, 1996; and*

7                           “(ii) *1 member of the Council whose*  
8                   *term expired on November 30, 1995;*  
9           *shall be deemed to expire on January 1, 1996.*

10                   “(B) *TERMS.*—*The President shall appoint*  
11           *3 members of the Council to succeed members*  
12           *whose terms are deemed to expire as described in*  
13           *subparagraph (A). The terms of the successors*  
14           *shall expire on September 3, 2002.*

15           “(d) *COMPENSATION.*—*Members of the Council shall*  
16           *receive compensation at a rate to be fixed by the Chair-*  
17           *person but not to exceed the daily equivalent of the maxi-*  
18           *mum rate authorized for a position above grade GS-15 of*  
19           *the General Schedule under section 5108 of title 5, United*  
20           *States Code, and be allowed travel expenses including per*  
21           *diem in lieu of subsistence, as authorized under section*  
22           *5703 of title 5, United States Code, for persons employed*  
23           *intermittently in Federal Government service.*

24           “(e) *MEETINGS AND DUTIES.*—

1           “(1) *MEETINGS.*—*The Council shall meet at the*  
2 *call of the Chairperson but not less often than twice*  
3 *during each calendar year. Eleven members of the*  
4 *Council shall constitute a quorum.*

5           “(2) *DUTIES.*—*The Council shall—*

6                   “(A) *advise the Chairperson with respect to*  
7 *policies, programs, and procedures for carrying*  
8 *out the functions of the Chairperson under this*  
9 *title; and*

10                   “(B) *review applications for grants author-*  
11 *ized under this title and make recommendations*  
12 *to the Chairperson with respect to the approval*  
13 *of each application.*

14           “(f) *ACTIONS BY CHAIRPERSON.*—

15                   “(1) *IN GENERAL.*—*The Chairperson shall not*  
16 *approve or disapprove any application for a grant*  
17 *authorized under this title until the Chairperson has*  
18 *received the recommendation of the Council on such*  
19 *application, unless the Council fails to make a rec-*  
20 *ommendation on the application within a reasonable*  
21 *time.*

22                   “(2) *DELEGATIONS.*—*In the case of an applica-*  
23 *tion submitted under this title and involving \$35,000*  
24 *or less, the Chairperson may approve or disapprove*  
25 *such application if such action is taken pursuant to*

1     *the terms of an express and direct delegation of au-*  
2     *thority from the Council to the Chairperson, and if*  
3     *each such action by the Chairperson is reviewed by*  
4     *the Council. The terms of any such delegation of au-*  
5     *thority shall not permit obligations for expenditure of*  
6     *funds under such delegation for any fiscal year that*  
7     *exceed an amount equal to 3 percent of the sums ap-*  
8     *propriated for the fiscal year pursuant to section*  
9     *105(b)(1).*

10    **“SEC. 306. LIMITATIONS ON GRANTS.**

11        “(a) *CRITERIA FOR ELIGIBILITY FOR GRANTS.*—

12            “(1) *DEFINITIONS.*—As used in this subsection:

13                “(A) *PRODUCTION ENTITY.*—The term ‘pro-

14                *duction entity’ means any partnership, corpora-*  
15                *tion, business enterprise, or other organization*  
16                *engaged in the production of a film or publica-*  
17                *tion.*

18                “(B) *GROUP.*—The term ‘group’ includes

19                *any State or local government, State or local*  
20                *public agency, Indian tribe, or nonprofit associa-*  
21                *tion, organization, institution, or society.*

22                “(C) *NATIONAL OF THE UNITED STATES.*—

23                *The term ‘national of the United States’ means*  
24                *a citizen of the United States or a person who*  
25                *owes permanent allegiance to the United States.*

1           “(2) *CRITERIA.*—*The Chairperson, with the ad-*  
2           *vice of the National Council on the Humanities, shall*  
3           *establish criteria for eligibility for grants made under*  
4           *this title. The criteria shall provide the following:*

5                   “(A) *GROUP.*—*A group shall be eligible to*  
6                   *receive a grant under this title if—*

7                           “(i) *no part of the net earnings of the*  
8                           *group inures to the benefit of any private*  
9                           *stockholder, or individual; and*

10                           “(ii) *a donation to such group is al-*  
11                           *lowable as a charitable contribution under*  
12                           *section 170(c) of the Internal Revenue Code*  
13                           *of 1986.*

14                   “(B) *PRODUCTION ENTITY.*—*A production*  
15                   *entity that is a nonprofit group shall be eligible*  
16                   *to receive a grant under this title if the Chair-*  
17                   *person, with the advice of the National Council*  
18                   *on the Humanities, determines that providing*  
19                   *such a grant will significantly advance the*  
20                   *knowledge or understanding of the humanities in*  
21                   *the United States.*

22                   “(C) *INDIVIDUAL.*—*An individual shall be*  
23                   *eligible to receive a grant under this title if—*

24                           “(i) *the individual is a citizen or na-*  
25                           *tional of the United States; and*

1                   “(ii) the Chairperson, with the advice  
2                   of the National Council on the Humanities,  
3                   determines that providing the grant will  
4                   significantly advance the knowledge or un-  
5                   derstanding of the humanities in the United  
6                   States.

7                   “(b) *ADMISSION CHARGES.*—No grant shall be made  
8                   under this title for an activity (other than an activity con-  
9                   ducted by a school, college, or university) for which a direct  
10                  or an indirect admission charge is requested if the proceeds,  
11                  after deducting reasonable costs, are used for purposes other  
12                  than assisting the grant recipient to develop high standards  
13                  of scholarly excellence or encourage greater appreciation of  
14                  the humanities by the citizens of the United States.

15                  “(c) *LABOR STANDARDS.*—The provisions of section  
16                  206(d) shall apply to activities financed under this title in  
17                  the same manner and to the same extent as the provisions  
18                  apply to activities financed under title II.

19                  “**SEC. 307. ADMINISTRATIVE PROVISIONS.**

20                  “(a) *AUTHORITIES OF CHAIRPERSON.*—In addition to  
21                  any authorities vested in the Chairperson by other provi-  
22                  sions of this Act, the Chairperson, in carrying out the func-  
23                  tions of the Chairperson, shall have authority—

24                         “(1) to prescribe such regulations and procedures  
25                         as the Chairperson determines to be necessary govern-

1     *ing the manner in which the functions of the Chair-*  
2     *person shall be carried out;*

3             *“(2)(A) to solicit, accept, receive, invest, and use*  
4     *money and other property donated, bequeathed, or de-*  
5     *vised to the Endowment, either absolutely or in trust,*  
6     *with or without a condition or restriction, including*  
7     *a condition that the Chairperson use other funds of*  
8     *the Endowment for the purposes of the donation, be-*  
9     *quest, or devise; and*

10            *“(B) to sell or otherwise dispose of such property,*  
11     *for purposes of carrying out the activities of the En-*  
12     *dowment under this title;*

13            *“(3) to appoint and determine the compensation*  
14     *of such employees, subject to title 5, United States*  
15     *Code, as may be necessary to carry out the functions*  
16     *of the Chairperson, define their duties, and supervise*  
17     *and direct their activities;*

18            *“(4) to procure the temporary and intermittent*  
19     *services of experts and consultants, including panels*  
20     *of experts, and compensate the experts and consult-*  
21     *ants in accordance with section 3109 of title 5, Unit-*  
22     *ed States Code;*

23            *“(5) to accept and utilize the voluntary services*  
24     *of individuals and reimburse the individuals for trav-*  
25     *el expenses, including per diem in lieu of subsistence,*

1        *in the same amounts and to the same extent as au-*  
2        *thorized under section 5703 of title 5, United States*  
3        *Code, for persons employed intermittently in Federal*  
4        *Government service;*

5            *“(6) to make advance, progress, and other pay-*  
6        *ments without regard to section 3324 of title 31,*  
7        *United States Code;*

8            *“(7) to rent office space in the District of Colum-*  
9        *bia; and*

10           *“(8) to make other necessary expenditures.*

11        *“(b) PUBLICATIONS.—Official publications of the En-*  
12        *dowment under this title may be supported without regard*  
13        *to the provisions of section 501 of title 44, United States*  
14        *Code, if the Chairperson consults with the Joint Committee*  
15        *on Printing of the Congress.*

16        *“(c) COORDINATION.—The Chairperson shall coordi-*  
17        *nate the programs of the Endowment, insofar as prac-*  
18        *ticable, with other Federal programs, programs of des-*  
19        *ignated State humanities agencies, and programs under-*  
20        *taken by other public agencies or private groups, and shall*  
21        *develop the programs of the Endowment with due regard*  
22        *to the contribution to the objectives of this title that can*  
23        *be made by other Federal agencies under the existing pro-*  
24        *grams. The Chairperson may enter into interagency agree-*  
25        *ments to promote or assist with the humanities-related ac-*

1 *tivities of other Federal agencies, on a reimbursable or*  
2 *nonreimbursable basis, and may use funds authorized to be*  
3 *appropriated to carry out this title to pay for the costs of*  
4 *such promotion or assistance.*

5 **“SEC. 308. REPORTS.**

6       “(a) *ANNUAL REPORT OF CHAIRPERSON.*—*The Chair-*  
7 *person shall submit an annual report to the President for*  
8 *submission to the appropriate committees of Congress on*  
9 *or before the 15th day of April of each year. The report*  
10 *shall summarize the activities of the Endowment for the*  
11 *preceding year, and may include such evaluations and*  
12 *other reports as the Chairperson determines to be appro-*  
13 *priate.*

14       “(b) *FINANCIAL REPORTS AND COMPLIANCE.*—

15               “(1) *IN GENERAL.*—*It shall be a condition of the*  
16 *receipt of a grant made under this title by the Chair-*  
17 *person that each such grant recipient agree to and*  
18 *comply with requirements to submit to the Chair-*  
19 *person—*

20                       “(A) *financial reports containing such in-*  
21 *formation as the Chairperson determines to be*  
22 *necessary to ensure that the funding provided*  
23 *through the grant is expended in accordance*  
24 *with the terms and conditions under which the*  
25 *grant is made;*

1           “(B) a report describing the activity carried  
2 out with the funding provided through the grant  
3 and the compliance by the grant recipient with  
4 the conditions of receipt of such grant, including  
5 the condition that the work assisted meet the  
6 standards of excellence in humanities and sig-  
7 nificance in the humanities; and

8           “(C) if practicable, as determined by the  
9 Chairperson, a copy of the work resulting from  
10 the activity.

11           “(2) REPORTS.—The reports and copy described  
12 in paragraph (1) shall be due not later than 90 days  
13 after the end of the period for which such grant recip-  
14 ient receives funding through the grant or 90 days  
15 after the completion of the work, whichever occurs ear-  
16 lier. The Chairperson may extend the 90-day period  
17 if the recipient shows good cause why such an exten-  
18 sion should be granted.

19           “(c) EVALUATION.—The Chairperson shall conduct a  
20 post-award evaluation of activities for which grants are  
21 made by the Chairperson under this title. Such evaluation  
22 may include an audit to determine the accuracy of the re-  
23 ports required to be submitted by grant recipients under  
24 subsection (b).

1       “(d) *ANNUAL REPORT OF NATIONAL COUNCIL ON THE*  
2 *HUMANITIES.*—

3               “(1) *IN GENERAL.*—*The National Council on the*  
4 *Humanities may submit an annual report to the*  
5 *President for submission to the appropriate commit-*  
6 *tees of Congress on or before the 15th day of April of*  
7 *each year.*

8               “(2) *CONTENTS.*—*The report shall include writ-*  
9 *ten records summarizing—*

10                       “(A) *all meetings and discussions of the*  
11 *Council; and*

12                       “(B) *recommendations made by the Council*  
13 *to the Chairperson.*

14               “(3) *PRIVACY.*—*The Council shall ensure that*  
15 *the information contained in the report will be pre-*  
16 *sented in a manner that protects the privacy of indi-*  
17 *vidual applicants for grants authorized under this*  
18 *title and Council members.*

19 **“SEC. 309. SANCTIONS AND PAYMENTS.**

20               “(a) *FAILURE TO SATISFY PURPOSES.*—*If any recipi-*  
21 *ent of a grant made under this title, or an indirect recipient*  
22 *of funding provided through the grant, substantially fails*  
23 *to satisfy the purposes for which such grant is made, as*  
24 *determined by the Chairperson, the Chairperson may—*

1           “(1) for purposes of determining whether to make  
2           any subsequent funding to the direct or indirect re-  
3           cipient under this title, take into consideration the re-  
4           sults of the post-award evaluation conducted under  
5           section 308(c);

6           “(2) prohibit the direct and indirect recipients  
7           from using the name of, or in any way associating  
8           the project, production, or workshop for which the  
9           grant was received with, the Endowment; and

10           “(3) if such project, production, or workshop is  
11           published, require that the publication contain the fol-  
12           lowing statement: ‘The opinions, findings, conclu-  
13           sions, and recommendations expressed in this publica-  
14           tion do not reflect the views of the National Endow-  
15           ment for the Humanities.’

16           “(b) NONCOMPLIANCE.—

17           “(1) IN GENERAL.—The Chairperson shall take  
18           the actions described in paragraph (2) whenever the  
19           Chairperson, after providing reasonable notice and an  
20           opportunity for hearing, finds that—

21           “(A) a direct recipient of a grant under this  
22           title, or an indirect recipient of funding provided  
23           through the grant, is not complying substantially  
24           with the provisions of this title;

1           “(B) a State agency that received a grant  
2           under this title, or an indirect recipient of fund-  
3           ing provided through the grant, is not complying  
4           substantially with terms and conditions of the  
5           State plan accompanying the application ap-  
6           proved for the grant under this title; or

7           “(C) any funding provided under this title  
8           to a recipient or State agency described in sub-  
9           paragraph (A) or (B) has been diverted from the  
10          purposes for which such funding was provided.

11          “(2) ACTIONS.—On making the finding described  
12          in paragraph (1), the Chairperson shall immediately  
13          notify the direct recipient or State agency that re-  
14          ceived the funding at issue that—

15               “(A) no further funding will be provided  
16               under this title to such recipient or agency until  
17               there is no longer any default or failure to com-  
18               ply or the diversion is corrected; or

19               “(B) if compliance or correction is impos-  
20               sible, until such recipient or agency repays or  
21               arranges the repayment of the Federal funds that  
22               were improperly diverted or expended.

23          “(c) RECAPTURE.—

24               “(1) IN GENERAL.—A recipient of funding under  
25          this title shall pay the amount described in para-

1        *graph (2) to the Endowment if the Chairperson finds*  
2        *that the recipient has derived net program income in*  
3        *excess of the match required under the terms of the*  
4        *agreement from the commercially successful activities*  
5        *funded that exceeds the lesser of—*

6                *“(A) \$50,000; or*

7                *“(B) twice the amount of the funding.*

8                *“(2) AMOUNT.—At the discretion of the Chair-*  
9        *person, the amount referred to in paragraph (1) is*  
10        *not less  $\frac{1}{3}$  and not more than  $\frac{1}{2}$  of the amount of*  
11        *the net program income generated within 5 years*  
12        *after the end of the grant period, but not more than*  
13        *the amount of the funding, unless the Chairperson has*  
14        *reached an agreement with the grantee upon the*  
15        *award of a grant that the amount referred to in para-*  
16        *graph (1) shall exceed the amount of the grant.*

17        *“(d) ACCOUNT.—Except as otherwise provided in this*  
18        *Act, the Treasurer of the United States shall deposit funds*  
19        *paid under subsection (c), or repaid under this Act, in a*  
20        *special interest bearing account to the credit of the Endow-*  
21        *ment.*

22        **“SEC. 310. AWARDS.**

23        *“The Chairperson, with the advice of the National*  
24        *Council on the Humanities, may make the following annual*  
25        *awards:*

1           “(1) *JEFFERSON LECTURE IN THE HUMANITIES*  
2           *AWARD.*—The Chairperson may award annually the  
3           *Jefferson Lecture in the Humanities Award* to 1 indi-  
4           *vidual for distinguished intellectual achievement in*  
5           *the humanities. Each such award shall not exceed*  
6           *\$10,000.*

7           “(2) *CHARLES FRANKEL PRIZE.*—The Chair-  
8           *person may award annually the Charles Frankel*  
9           *Prize to honor individuals who have made outstand-*  
10          *ing contributions to the public understanding of the*  
11          *humanities. Not more than 5 individuals may receive*  
12          *such prize each year. Each such prize shall not exceed*  
13          *\$5,000.”.*

14   **SEC. 102. CONFORMING AMENDMENTS.**

15          *Section 8G of the Inspector General Act of 1978 (5*  
16          *U.S.C. App.) is amended—*

17                 *(1) in subsection (a)—*

18                         *(A) in paragraph (2), by striking “the Na-*  
19                         *tional Endowment for the Arts, the National En-*  
20                         *dowment for the Humanities,” and inserting*  
21                         *“the portion of the National Foundation on the*  
22                         *Arts and the Humanities consisting of the Na-*  
23                         *tional Endowment for the Arts and the National*  
24                         *Endowment for the Humanities,”; and*

1           (B) in paragraph (4), by striking “except  
2           that” and all that follows and inserting the fol-  
3           lowing: “except that—

4           “(A) with respect to the National Science  
5           Foundation, such term means the National  
6           Science Board; and

7           “(B) with respect to the National Endow-  
8           ment for the Arts and the National Endowment  
9           for the Humanities, the term means the Chair-  
10          person of the National Endowment for the Arts  
11          with respect to matters relating to the National  
12          Endowment for the Arts and the Chairperson of  
13          the National Endowment for the Humanities  
14          with respect to matters relating to the Chair-  
15          person of the National Endowment for the Hu-  
16          manities;”;

17          (2) in subsection (c), by inserting before the pe-  
18          riod the following: “; except that the Inspector Gen-  
19          eral for the National Endowment for the Arts and the  
20          National Endowment for the Humanities shall be  
21          jointly appointed by the Chairperson of the National  
22          Endowment for the Arts and the Chairperson of the  
23          National Endowment for the Humanities”; and

24          (3) in the first sentence of subsection (d), by in-  
25          serting before the period the following: “; except as

1       *provided in section 103 of the National Foundation*  
 2       *on the Arts and the Humanities Act of 1965”.*

3       ***TITLE II—MUSEUM AND LIBRARY***  
 4                               ***SERVICES ACT***

5       ***SEC. 201. MUSEUM AND LIBRARY SERVICES.***

6       *The Museum Services Act (20 U.S.C. 961 et seq.) is*  
 7       *amended to read as follows:*

8                               ***“TITLE II—MUSEUM AND***  
 9   ***LIBRARY SERVICES***

10       ***“Subtitle A—General Provisions***

11       ***“SEC. 201. SHORT TITLE.***

12       *“This title may be cited as the ‘Museum and Library*  
 13       *Services Act’.*

14       ***“SEC. 202. GENERAL DEFINITIONS.***

15       *“As used in this title:*

16               *“(1) COMMISSION.—The term ‘Commission’*  
 17       *means the National Commission on Libraries and In-*  
 18       *formation Science established under section 3 of the*  
 19       *National Commission on Libraries and Information*  
 20       *Science Act (20 U.S.C. 1502).*

21               *“(2) DIRECTOR.—The term ‘Director’ means the*  
 22       *Director of the Institute appointed under section 204.*

23               *“(3) FOUNDATION.—The term ‘Foundation’*  
 24       *means the National Foundation on the Arts and the*  
 25       *Humanities.*

1           “(4) *INSTITUTE*.—The term ‘Institute’ means the  
2           *Institute of Museum and Library Services* established  
3           under section 203.

4           “(5) *MUSEUM BOARD*.—The term ‘Museum  
5           Board’ means the *National Museum Services Board*  
6           established under section 276.

7           **“SEC. 203. INSTITUTE OF MUSEUM AND LIBRARY SERVICES.**

8           “(a) *ESTABLISHMENT*.—There is established within  
9           the Foundation an *Institute of Museum and Library Serv-*  
10          *ices*.

11          “(b) *OFFICES*.—The Institute shall consist of an Office  
12          of *Museum Services* and an *Office of Library Services*.  
13          There shall be a *National Museum Services Board* in the  
14          *Office of Museum Services*.

15          **“SEC. 204. DIRECTOR OF THE INSTITUTE.**

16          “(a) *APPOINTMENT*.—

17                  “(1) *IN GENERAL*.—The Institute shall be headed  
18                  by a *Director*, appointed by the *President*, by and  
19                  with the *advice and consent of the Senate*.

20                  “(2) *TERM*.—The *Director* shall serve for a term  
21                  of 4 years.

22                  “(3) *QUALIFICATIONS*.—Beginning with the first  
23                  individual appointed to the position of *Director* after  
24                  the date of enactment of the *Arts, Humanities, and*  
25                  *Museum Amendments of 1995*, every second individ-

1        *ual so appointed shall be appointed from among indi-*  
2        *viduals who have special competence with regard to*  
3        *library and information services. Beginning with the*  
4        *second individual appointed to the position of Direc-*  
5        *tor after the date of enactment of the Arts, Human-*  
6        *ities, and Museum Amendments of 1995, every second*  
7        *individual so appointed shall be appointed from*  
8        *among individuals who have special competence with*  
9        *regard to museum services.*

10        *“(b) COMPENSATION.—The Director shall be com-*  
11        *pensated at the rate provided for level III of the Executive*  
12        *Schedule under section 5314 of title 5, United States Code.*

13        *“(c) DUTIES AND POWERS.—The Director shall per-*  
14        *form such duties and exercise such powers as may be pre-*  
15        *scribed by law, including—*

16                *“(1) awarding financial assistance for activities*  
17                *described in this title; and*

18                *“(2) using not less than 5 percent and not more*  
19                *than 7 percent of the funds made available under this*  
20                *title for each fiscal year to award financial assistance*  
21                *for projects that involve both—*

22                        *“(A) activities relating to library and infor-*  
23                        *mation services, as described in subtitle B, car-*  
24                        *ried out in accordance with such subtitle; and*

1           “(B) activities relating to museum services,  
2           as described in subtitle C, carried out in accord-  
3           ance with such subtitle.

4           “(d) NONDELEGATION.—The Director shall not dele-  
5           gate any of the functions of the Director to any person who  
6           is not directly responsible to the Director.

7           “(e) COORDINATION.—The Director shall ensure co-  
8           ordination of the policies and activities of the Institute with  
9           the policies and activities of other agencies and offices of  
10          the Federal Government having interest in and responsibil-  
11          ities for the improvement of museums and libraries and in-  
12          formation services. Such agencies and offices shall include  
13          the National Endowment for the Arts, the National Endow-  
14          ment for the Humanities, the National Science Foundation,  
15          appropriate units in the Department of Education, the Li-  
16          brary of Congress, the Smithsonian Institution, and related  
17          agencies and offices.

18          **“SEC. 205. DEPUTY DIRECTORS.**

19          “(a) APPOINTMENT.—The Office of Library Services  
20          shall be headed by a Deputy Director, who shall be ap-  
21          pointed by the Director from among individuals who have  
22          a graduate degree in library science and expertise in li-  
23          brary and information services. The Office of Museum Serv-  
24          ices shall be headed by a Deputy Director, who shall be ap-

1 pointed by the Director from among individuals who have  
2 expertise in museum services.

3       “(b) *COMPENSATION.*—Each such position of Deputy  
4 Director shall be a Senior Executive Service position, which  
5 shall be paid at a rate of pay for a position at ES-1 of  
6 the Senior Executive Service schedule.

7 **“SEC. 206. PERSONNEL.**

8       “(a) *IN GENERAL.*—The Director may, in accordance  
9 with applicable provisions of title 5, United States Code,  
10 appoint and determine the compensation of such employees  
11 as the Director determines to be necessary to carry out the  
12 duties of the Institute.

13       “(b) *VOLUNTARY SERVICES.*—The Director may accept  
14 and utilize the voluntary services of individuals and reim-  
15 burse the individuals for travel expenses, including per  
16 diem in lieu of subsistence, in the same amounts and to  
17 the same extent as authorized under section 5703 of title  
18 5, United States Code, for persons employed intermittently  
19 in Federal Government service.

20 **“SEC. 207. CONTRIBUTIONS.**

21       “*The Institute shall have authority to solicit, accept,*  
22 *receive, and invest in the name of the United States, gifts,*  
23 *bequests, or devises of money and other property or services*  
24 *and to use such property or services in furtherance of the*  
25 *functions of the Institute. Any proceeds from such gifts, be-*

1 *quests, or devises, after acceptance by the Institute, shall*  
2 *be paid by the donor or the representative of the donor to*  
3 *the Director. The Director shall enter the proceeds in a spe-*  
4 *cial interest bearing account to the credit of the Institute*  
5 *for the purposes in each case specified.*

6 ***“Subtitle B—Library Services and***  
7 ***Technology***

8 ***“SEC. 211. SHORT TITLE.***

9 *“This subtitle may be cited as the ‘Library Services*  
10 *and Technology Act’.*

11 ***“SEC. 212. STATEMENT OF PURPOSE; RECOGNITION OF***  
12 ***NEED.***

13 *“(a) STATEMENT OF PURPOSE.—The purposes of this*  
14 *subtitle are as follows:*

15 *“(1) To stimulate excellence and promote equity*  
16 *and lifelong access to learning and information re-*  
17 *sources in all types of libraries.*

18 *“(2) To combine the ability of the Federal Gov-*  
19 *ernment to stimulate significant improvement and*  
20 *innovation in library services with support at State*  
21 *and local levels, and with cooperative programs with*  
22 *other agencies and with public and private sector*  
23 *partnerships, to achieve national library service goals.*

1           “(3) *To establish national library service goals*  
2 *for the 21st century. Such goals are that every person*  
3 *in America will be served by a library that—*

4                   “(A) *provides all users access to informa-*  
5 *tion through regional, State, national, and inter-*  
6 *national electronic networks;*

7                   “(B) *contributes to a productive workforce,*  
8 *and to economic development, by providing re-*  
9 *sources and services designed to meet local com-*  
10 *munity needs;*

11                   “(C) *provides a full range of resources and*  
12 *programs to develop reading and critical think-*  
13 *ing skills for children and adults;*

14                   “(D) *provides targeted services to people of*  
15 *diverse geographic, cultural, and socioeconomic*  
16 *backgrounds, to individuals with disabilities,*  
17 *and to people with limited functional literacy or*  
18 *information skills; and*

19                   “(E) *provides adequate hours of operation,*  
20 *facilities, staff, collections, and electronic access*  
21 *to information.*

22           “(b) *RECOGNITION OF NEED.—The Congress recog-*  
23 *nizes that strong library services are essential to empower*  
24 *people to succeed in our Nation’s increasingly global and*  
25 *technological environment.*

1 **“SEC. 213. DEFINITIONS.**

2 *“As used in this subtitle:*

3 *“(1) INDIAN TRIBE.—The term ‘Indian tribe’*  
4 *means any tribe, band, nation, or other organized*  
5 *group or community, including any Alaska native*  
6 *village, regional corporation, or village corporation,*  
7 *as defined in or established pursuant to the Alaska*  
8 *Native Claims Settlement Act (43 U.S.C. 1601 et*  
9 *seq.), which is recognized by the Secretary of the Inte-*  
10 *rior as eligible for the special programs and services*  
11 *provided by the United States to Indians because of*  
12 *their status as Indians.*

13 *“(2) LIBRARY CONSORTIA.—The term ‘library*  
14 *consortia’ means any local, statewide, regional, inter-*  
15 *state, or international cooperative association of li-*  
16 *brary entities which provides for the systematic and*  
17 *effective coordination of the resources of school, public,*  
18 *academic, and special libraries and information cen-*  
19 *ters for improved services for their clientele.*

20 *“(3) LIBRARY ENTITY.—The term ‘library entity’*  
21 *means a library that performs all activities of a li-*  
22 *brary relating to the collection and organization of li-*  
23 *brary materials and other information and that*  
24 *makes the materials and information publicly avail-*  
25 *able. Such term includes State library administrative*  
26 *agencies and the libraries, library related entities, co-*

1        *operatives, and consortia through which library serv-*  
2        *ices are made publicly available.*

3            “(4) *PUBLIC LIBRARY.*—*The term ‘public li-*  
4        *brary’ means a library that serves free of charge all*  
5        *residents of a community, district, or region, and re-*  
6        *ceives its financial support in whole or in part from*  
7        *public funds. Such term also includes a research li-*  
8        *brary, which, for the purposes of this sentence, means*  
9        *a library, which—*

10            “(A) *makes its services available to the pub-*  
11        *lic free of charge;*

12            “(B) *has extensive collections of books,*  
13        *manuscripts, and other materials suitable for*  
14        *scholarly research which are not available to the*  
15        *public through public libraries;*

16            “(C) *engages in the dissemination of hu-*  
17        *manistic knowledge through services to readers,*  
18        *fellowships, educational and cultural programs,*  
19        *publications of significant research, and other*  
20        *activities; and*

21            “(D) *is not an integral part of an institu-*  
22        *tion of higher education.*

23            “(5) *STATE.*—*The term ‘State’, unless otherwise*  
24        *specified, includes the several States of the United*  
25        *States, the District of Columbia, the Commonwealth*

1 *of Puerto Rico, Guam, American Samoa, the United*  
2 *States Virgin Islands, the Commonwealth of the*  
3 *Northern Mariana Islands, the Republic of the Mar-*  
4 *shall Islands, the Federated States of Micronesia, and*  
5 *the Republic of Palau.*

6 “(6) *STATE ADVISORY COUNCIL.*—The term  
7 ‘*State advisory council*’ means an advisory council  
8 established pursuant to section 252.

9 “(7) *STATE LIBRARY ADMINISTRATIVE AGEN-*  
10 *CY.*—The term ‘*State library administrative agency*’  
11 means the official agency of a State charged by law  
12 of that State with the extension and development of  
13 public library services throughout the State, which  
14 has adequate authority under law of the State to ad-  
15 minister the State plan in accordance with the provi-  
16 sions of this subtitle.

17 “(8) *STATE PLAN.*—The term ‘*State plan*’ means  
18 the document which gives assurances that the offi-  
19 cially designated State library administrative agency  
20 has the fiscal and legal authority and capability to  
21 administer all aspects of this subtitle, provides assur-  
22 ances for establishing the State’s policies, priorities,  
23 criteria, and procedures necessary to the implementa-  
24 tion of all programs under this subtitle, submits cop-  
25 ies for approval as required by regulations promul-

1 *gated by the Director, and identifies a State's library*  
2 *needs and sets forth the activities to be taken toward*  
3 *meeting the identified needs supported with the assist-*  
4 *ance of Federal funds made available under this sub-*  
5 *title.*

6 **“SEC. 214. AUTHORIZATION OF APPROPRIATIONS.**

7 *“(a) AUTHORITY.—*

8 *“(1) IN GENERAL.—There are authorized to be*  
9 *appropriated to the Secretary of Education—*

10 *“(A) for the purpose of awarding grants*  
11 *under subchapter A of chapter 2 and for related*  
12 *administrative expenses, \$75,000,000 for fiscal*  
13 *year 1996, and such sums as may be necessary*  
14 *for each of the 4 succeeding fiscal years; and*

15 *“(B) for the purpose of awarding grants*  
16 *under subchapter B of chapter 2 and for related*  
17 *administrative expenses, \$75,000,000 for fiscal*  
18 *year 1996, and such sums as may be necessary*  
19 *for each of the 4 succeeding fiscal years.*

20 *“(2) TRANSFER.—The Secretary of Education*  
21 *shall transfer any funds appropriated under the au-*  
22 *thority of paragraph (1) to the Director to enable the*  
23 *Director to carry out this subtitle.*

24 *“(b) JOINT PROJECTS.—Not less than 5 percent and*  
25 *not more than 7 percent of the funds appropriated under*

1 *this section for a fiscal year may be made available for*  
2 *projects described in section 204(c)(2) for the fiscal year.*

3       “(c) *ADMINISTRATION.*—*Not more than 10 percent of*  
4 *the funds appropriated under this section for a fiscal year*  
5 *may be used to pay for the Federal administrative costs*  
6 *of carrying out this subtitle.*

7               **“CHAPTER 1—BASIC PROGRAM**  
8                       **REQUIREMENTS**

9       **“SEC. 221. RESERVATIONS AND ALLOTMENTS.**

10       “(a) *RESERVATIONS.*—*From the amount appropriated*  
11 *under the authority of section 214(a) for any fiscal year,*  
12 *the Director—*

13               “(1) *shall reserve 1½ percent to award grants in*  
14 *accordance with section 261; and*

15               “(2) *shall reserve 8 percent to carry out a na-*  
16 *tional leadership program in library science in ac-*  
17 *cordance with section 262.*

18       “(b) *ALLOTMENTS.*—

19               “(1) *IN GENERAL.*—*From the sums appropriated*  
20 *under the authority of section 214(a) and not reserved*  
21 *under subsection (a) for any fiscal year, the Director*  
22 *shall allot the minimum allotment, as determined*  
23 *under paragraph (3), to each State. Any sums re-*  
24 *maining after minimum allotments have been made*

1       for such year shall be allotted in the manner set forth  
2       in paragraph (2).

3           “(2) *REMAINDER.*—From the remainder of any  
4       sums appropriated under the authority of section  
5       214(a) that are not reserved under subsection (a) and  
6       not allotted under paragraph (1) for any fiscal year,  
7       the Director shall allot to each State an amount that  
8       bears the same relation to such remainder as the pop-  
9       ulation of the State bears to the population of all the  
10      States.

11          “(3) *MINIMUM ALLOTMENT.*—

12           “(A) *IN GENERAL.*—For the purposes of this  
13       subsection, the minimum allotment shall be—

14           “(i) with respect to appropriations for  
15       the purposes of subchapter A of chapter 2,  
16       \$200,000 for each State, except that the  
17       minimum allotment shall be \$40,000 in the  
18       case of Guam, American Samoa, the United  
19       States Virgin Islands, the Commonwealth of  
20       the Northern Mariana Islands, the Republic  
21       of the Marshall Islands, the Federated  
22       States of Micronesia, and the Republic of  
23       Palau; and

24           “(ii) with respect to appropriations for  
25       the purposes of subchapter B of chapter 2,

1           \$200,000 for each State, except that the  
2           minimum allotment shall be \$40,000 in the  
3           case of Guam, American Samoa, the United  
4           States Virgin Islands, the Commonwealth of  
5           the Northern Mariana Islands, the Republic  
6           of the Marshall Islands, the Federated  
7           States of Micronesia, and the Republic of  
8           Palau.

9           “(B) *RATABLE REDUCTIONS.*—If the sums  
10          appropriated under the authority of section  
11          214(a) and not reserved under subsection (a) for  
12          any fiscal year are insufficient to fully satisfy  
13          the aggregate of the minimum allotments for all  
14          States for that purpose for such year, each of  
15          such minimum allotments shall be reduced rat-  
16          ably.

17          “(4) *DATA.*—The population of each State and of  
18          all the States shall be determined by the Director on  
19          the basis of the most recent data available from the  
20          Bureau of the Census.

21       **“SEC. 222. ADMINISTRATION AND EVALUATION.**

22          “(a) *IN GENERAL.*—Not more than 5 percent of the  
23          total funds received under this subtitle for any fiscal year  
24          by a State may be used for administration.

1       “(b) *CONSTRUCTION.*—*Nothing in this section shall be*  
2 *construed to limit spending for evaluation costs under sec-*  
3 *tion 251 from sources other than this subtitle.*

4       **“SEC. 223. PAYMENTS; FEDERAL SHARE; AND MAINTENANCE**  
5               **OF EFFORT REQUIREMENTS.**

6       “(a) *PAYMENTS.*—*The Director shall pay to each State*  
7 *library administrative agency having a State plan ap-*  
8 *proved under section 224 the Federal share of the cost of*  
9 *the activities described in the State plan.*

10       “(b) *FEDERAL SHARE.*—

11               “(1) *IN GENERAL.*—*Except as provided in para-*  
12 *graph (3), the Federal share shall be 50 percent.*

13               “(2) *NON-FEDERAL SHARE.*—*The non-Federal*  
14 *share of payments shall be provided from non-Fed-*  
15 *eral, State, or local sources.*

16               “(3) *SPECIAL RULE.*—*The Federal share—*

17                       “(A) *for the Commonwealth of Puerto Rico,*  
18 *Guam, American Samoa, the United States Vir-*  
19 *gin Islands, and the Commonwealth of the*  
20 *Northern Mariana Islands, shall be 66 percent;*  
21 *and*

22                       “(B) *for the Republic of the Marshall Is-*  
23 *lands, the Federated States of Micronesia, and*  
24 *the Republic of Palau, shall be 100 percent.*

25       “(c) *MAINTENANCE OF EFFORT.*—

1           “(1) *IN GENERAL.*—The amount otherwise pay-  
2           able to a State for a fiscal year under chapter 2 shall  
3           be reduced if the level of State expenditures, as de-  
4           scribed in paragraph (2), for the previous fiscal year  
5           are less than the average of the total of such expendi-  
6           tures for the 3 fiscal years preceding that previous fis-  
7           cal year. The amount of the reduction in allotment  
8           for any fiscal year shall be in exact proportion to the  
9           amount which the State fails to meet the requirement  
10          of this subsection.

11          “(2) *LEVEL OF STATE EXPENDITURES.*—The  
12          level of State expenditures for the purposes of para-  
13          graph (1) shall include all State dollars expended by  
14          the State library administrative agency for library  
15          programs that are consistent with the purposes of this  
16          subtitle. All funds included in the maintenance of ef-  
17          fort calculation under this subsection shall be ex-  
18          pended during the fiscal year for which the deter-  
19          mination is made, and shall not include capital ex-  
20          penditures, special one-time project costs, or similar  
21          windfalls.

22          “(3) *WAIVER.*—The Director may waive the re-  
23          quirements of paragraph (1) if the Director deter-  
24          mines that such a waiver would be equitable due to  
25          exceptional or uncontrollable circumstances such as a

1       *natural disaster or a precipitous and unforeseen de-*  
2       *cline in the financial resources of the State.*

3       **“SEC. 224. STATE PLANS.**

4       “(a) *STATE PLAN REQUIRED.*—

5               “(1) *IN GENERAL.*—*In order to be eligible to re-*  
6       *ceive a grant under this subtitle, a State library ad-*  
7       *ministrative agency shall submit a State plan to the*  
8       *Director not later than April 1, 1996.*

9               “(2) *DURATION.*—*The State plan shall cover a*  
10       *period of 5 fiscal years.*

11              “(3) *REVISIONS.*—*If a State library administra-*  
12       *tive agency makes a substantive revision to its State*  
13       *plan, then the State library administrative agency*  
14       *shall submit to the Director an amendment to the*  
15       *State plan containing such revision not later than*  
16       *April 1 of the fiscal year preceding the fiscal year for*  
17       *which the amendment will be effective.*

18       “(b) *CONTENTS.*—*The State plan shall—*

19              “(1) *specify priorities for improvement of library*  
20       *services so that all people in the State have convenient*  
21       *and appropriate access to information delivered by li-*  
22       *braries through new and emerging technologies as-*  
23       *sisted under subchapter A of chapter 2;*

24              “(2) *identify those persons who need special serv-*  
25       *ices under subchapter B of chapter 2 and specify pri-*

1 *orities for meeting the purpose described in section*  
2 *241(a);*

3 *“(3) describe how section 243 will be imple-*  
4 *mented within the State, specify the accountability*  
5 *and evaluation procedures to be followed by public li-*  
6 *braries receiving funds under such section, and speci-*  
7 *fy whether and how funds are to be aggregated under*  
8 *section 243(b)(2) to improve library services provided*  
9 *to children in the State described in section 243(a)(2);*

10 *“(4) describe the activities and services for which*  
11 *assistance is sought, including—*

12 *“(A) priorities for the use of funds under*  
13 *this subtitle; and*

14 *“(B) a description of the types of libraries*  
15 *and library entities that will be eligible to re-*  
16 *ceive funds under this subtitle;*

17 *“(5) provide that any funds paid to the State in*  
18 *accordance with the State plan shall be expended sole-*  
19 *ly for the purposes for which the funds are authorized*  
20 *and appropriated and that such fiscal control and*  
21 *fund accounting procedures have been adopted as may*  
22 *be necessary to assure proper disbursement of, and ac-*  
23 *count for, Federal funds paid to the State (including*  
24 *any such funds paid by the State to any other entity)*  
25 *under this subtitle;*

1           “(6) provide procedures to ensure that the State  
2           library administrative agency shall involve libraries  
3           and users throughout the State in policy decisions re-  
4           garding implementation of this subtitle, and develop-  
5           ment of the State plan, including establishing the  
6           State advisory council;

7           “(7) provide satisfactory assurance that the  
8           State library administrative agency—

9                   “(A) will make such reports, in such form  
10                   and containing such information, as the Director  
11                   may require to carry out this subtitle and to de-  
12                   termine the extent to which funds provided under  
13                   this subtitle have been effective in carrying out  
14                   the purposes of this subtitle, including reports on  
15                   evaluations under section 251;

16                   “(B) will keep such records and afford such  
17                   access thereto as the Director may find necessary  
18                   to assure the correctness and verification of such  
19                   reports;

20                   “(C) will provide to State advisory council  
21                   members an orientation regarding the provisions  
22                   of this subtitle and members’ responsibilities, in-  
23                   cluding clear, easily understandable information  
24                   about the State plan; and

1           “(D) will report annually at a meeting of  
2           the State advisory council on the State library  
3           administrative agency’s progress toward meeting  
4           the goals and objectives of the State plan;

5           “(8) describe the process for assessing the needs  
6           for library and information services within the State,  
7           and describe the results of the most recent needs as-  
8           sessment;

9           “(9) establish goals and objectives for achieving  
10          within the State the purposes of this subtitle, includ-  
11          ing the purposes in sections 212(a), 231(a), and  
12          241(a); and

13          “(10) describe how the State library administra-  
14          tive agency, in consultation with the State advisory  
15          council, will—

16                 “(A) administer this subtitle; and

17                 “(B) conduct evaluations under section 251,  
18                 including a description of the types of evaluation  
19                 methodologies to be employed.

20          “(c) ACCOUNTABILITY.—Each State plan shall—

21                 “(1) establish State-defined performance goals to  
22                 set forth the level of performance to be achieved by an  
23                 activity assisted under this subtitle;

24                 “(2) express such goals in an objective, quantifi-  
25                 able, and measurable form unless authorized to be in

1 *an alternative form in accordance with section*  
2 *1115(b) of title 31, United States Code;*

3 *“(3) briefly describe the operational processes,*  
4 *skills and technology, and the human, capital, infor-*  
5 *mation, or other resources, required to meet the per-*  
6 *formance goals;*

7 *“(4) establish performance indicators in accord-*  
8 *ance with subsection (d) to be used in measuring or*  
9 *assessing the relevant outputs, service levels, and out-*  
10 *comes, of each activity assisted under this subtitle;*

11 *“(5) provide a basis for comparing actual pro-*  
12 *gram results with the established performance goals;*  
13 *and*

14 *“(6) describe the means to be used to verify and*  
15 *validate measured values.*

16 *“(d) PERFORMANCE INDICATORS.—Performance indi-*  
17 *cators described in subsection (c)(4) shall include—*

18 *“(1) evidence of progress toward the national li-*  
19 *brary service goals under section 212(a)(3);*

20 *“(2) consultation with the State educational*  
21 *agency;*

22 *“(3) identification of activities suitable for na-*  
23 *tionwide replication; and*

24 *“(4) progress in improvement of library services*  
25 *provided to children described in section 243(a)(2).*

1       “(e) *APPROVAL.*—

2               “(1) *IN GENERAL.*—*The Director shall approve*  
3 *any State plan under this subtitle that meets the re-*  
4 *quirements of this subtitle and provides satisfactory*  
5 *assurances that the provisions of such plan will be*  
6 *carried out.*

7               “(2) *PUBLIC AVAILABILITY.*—*Each State library*  
8 *administrative agency receiving a grant under this*  
9 *subtitle shall make the State plan available to the*  
10 *public.*

11              “(3) *ADMINISTRATION.*—*If the Director deter-*  
12 *mines that the State plan does not meet the require-*  
13 *ments of this section, the Director shall—*

14                   “(A) *immediately notify the State library*  
15 *administrative agency of such determination and*  
16 *the reasons for such determination;*

17                   “(B) *offer the State library administrative*  
18 *agency the opportunity to revise its State plan;*

19                   “(C) *provide technical assistance in order to*  
20 *assist the State library administrative agency to*  
21 *meet the requirements of this section; and*

22                   “(D) *provide the State library administra-*  
23 *tive agency the opportunity for a hearing.*



1 *accordance with the State plan. Such services and subgrants*  
 2 *shall involve—*

3           “(1) *organization, access, and delivery of infor-*  
 4 *mation;*

5           “(2) *lifelong learning, and workforce and eco-*  
 6 *nomic development; or*

7           “(3) *support of technology infrastructure.*

8           **“Subchapter B—Information Empowerment**  
 9                           **Through Special Services**

10 **“SEC. 241. GRANTS TO STATES FOR INFORMATION**  
 11 **EMPOWERMENT THROUGH SPECIAL SERV-**  
 12 **ICES.**

13           “(a) *PURPOSE.—The purpose of this subchapter is to*  
 14 *provide for the improvement of library and information*  
 15 *services targeted to persons of all ages and cultures who*  
 16 *have difficulty using a library and to communities which*  
 17 *are geographically disadvantaged in access to libraries, who*  
 18 *or which need special materials or services, or who or which*  
 19 *will benefit from outreach services for equity of access to*  
 20 *library services and information technologies, including*  
 21 *children (from birth through age 17) from families living*  
 22 *below the income official poverty line (as defined by the Of-*  
 23 *fice of Management and Budget, and revised annually in*  
 24 *accordance with section 673(2) of the Community Services*

1 *Block Grant Act (42 U.S.C. 9902(2)) applicable to a family*  
2 *of the size involved).*

3 “(b) GRANTS.—

4 “(1) IN GENERAL.—*The Director shall award*  
5 *grants under this subchapter from allotments under*  
6 *section 221(b) to States that have State plans ap-*  
7 *proved under section 224.*

8 “(2) FEDERAL SHARE.—*Grants awarded under*  
9 *paragraph (1) shall be used to pay the Federal share*  
10 *of the cost of the activities under section 242 that are*  
11 *described in a State plan approved under section 224.*

12 **“SEC. 242. AUTHORIZED ACTIVITIES.**

13 “*Each State that receives a grant under section 241(b)*  
14 *may use the grant funds to provide statewide services and*  
15 *subgrants to public libraries, other types of libraries and*  
16 *library consortia, or library linkages with other entities, in*  
17 *accordance with the State plan. Such services and subgrants*  
18 *shall involve activities that—*

19 “(1) *increase literacy and lifelong learning;*

20 “(2) *serve persons in rural, underserved, or*  
21 *inner-city areas; or*

22 “(3) *support the provision of special services.*

23 **“SEC. 243. SERVICES FOR CHILDREN IN POVERTY.**

24 “(a) STATE LEVEL RESERVATION.—

1           “(1) *IN GENERAL.*—*Except as provided in sub-*  
2           *section (c), from the total amount that each State li-*  
3           *brary administrative agency receives under this sub-*  
4           *chapter for a fiscal year, such agency shall reserve the*  
5           *amount of funds determined under paragraph (2) to*  
6           *provide assistance to public libraries in the State to*  
7           *enable such libraries to enhance the provision of spe-*  
8           *cial services to children described in such paragraph*  
9           *who are served by such libraries.*

10           “(2) *AMOUNT.*—

11           “(A) *IN GENERAL.*—*Except as provided in*  
12           *subparagraph (B), the amount of funds a State*  
13           *library administrative agency shall reserve*  
14           *under paragraph (1) shall be equal to the sum*  
15           *of—*

16                   “(i) *\$1.50 for every preschooler (birth*  
17                   *through age 5) in the State from a family*  
18                   *living below the income official poverty line*  
19                   *(as defined by the Office of Management*  
20                   *and Budget, and revised annually in ac-*  
21                   *cordance with section 673(2) of the Commu-*  
22                   *nity Services Block Grant Act (42 U.S.C.*  
23                   *9902(2)) applicable to a family of the size*  
24                   *involved); and*

1                   “(ii) \$1.00 for every school-age child  
2                   (ages 6 through 17) in the State from such  
3                   a family.

4                   “(B) MAXIMUM.—The maximum amount  
5                   that a State library administrative agency may  
6                   reserve under paragraph (1) for any fiscal year  
7                   shall not exceed 15 percent of the total amount  
8                   such agency receives under this subchapter for  
9                   such year.

10                  “(b) WITHIN STATE DISTRIBUTION.—

11                   “(1) IN GENERAL.—Except as provided in para-  
12                   graph (2), each public library in a State shall receive  
13                   under this section for a fiscal year an amount that  
14                   bears the same relation to the amount the State li-  
15                   brary administrative agency reserves under subsection  
16                   (a) for such year as the number of children described  
17                   in subsection (a)(2) served by such public library for  
18                   the preceding fiscal year bears to the number of such  
19                   children served by all public libraries in the State for  
20                   such preceding fiscal year.

21                   “(2) EXCEPTION.—

22                   “(A) IN GENERAL.—If a State library ad-  
23                   ministrative agency determines that the amount  
24                   available under paragraph (1) for a fiscal year  
25                   for 2 or more public libraries is too small to be

1           *effective, then such agency may aggregate such*  
2           *amounts for such year.*

3           “(B) *REQUIREMENTS.—Each State library*  
4           *administrative agency aggregating amounts*  
5           *under subparagraph (A) for a fiscal year—*

6                   “(i) *shall only aggregate the amount*  
7                   *available under paragraph (1) for a public*  
8                   *library for a fiscal year if the amount so*  
9                   *available for such year is \$3,000 or less;*  
10                  *and*

11                   “(ii) *shall use such aggregated amounts*  
12                   *to enhance the library services provided to*  
13                   *the children described in subsection (a)(2)*  
14                   *served by the public libraries for which such*  
15                   *agency aggregated such amounts for such*  
16                   *year.*

17           “(c) *ADJUSTMENTS.—*

18                   “(1) *APPROPRIATIONS INCREASE.—For any fis-*  
19                   *cal year for which the amount appropriated to carry*  
20                   *out this subtitle is greater than the amount appro-*  
21                   *priated to carry out this subtitle for the preceding fis-*  
22                   *cal year by a percentage that equals or exceeds 10*  
23                   *percent, the amount each State library administrative*  
24                   *agency shall reserve under subsection (a)(2) for the*

1 *fiscal year for which the determination is made shall*  
2 *be increased by the same such percentage.*

3 *“(2) APPROPRIATIONS DECREASE.—For any fis-*  
4 *cal year for which the amount appropriated to carry*  
5 *out this subtitle is less than the amount appropriated*  
6 *to carry out this subtitle for the preceding fiscal year*  
7 *by a percentage that equals or exceeds 10 percent, the*  
8 *amount each State library administrative agency*  
9 *shall reserve under subsection (a)(2) for the fiscal*  
10 *year for which the determination is made shall be de-*  
11 *creased by the same such percentage.*

12 *“(d) PLAN.—Each public library desiring assistance*  
13 *under this section shall submit a plan for the expenditure*  
14 *of funds under this section to the State library administra-*  
15 *tive agency. Such plan shall include a description of how*  
16 *the library will—*

17 *“(1) identify the children described in subsection*  
18 *(a)(2);*

19 *“(2) collaborate with community representatives*  
20 *to ensure planning and implementation of appro-*  
21 *priate, helpful library services; and*

22 *“(3) establish indicators of success.*

23 *“(e) PRIORITIES.—Priorities for the use of funds under*  
24 *this section may include activities for children described in*  
25 *subsection (a)(2) such as—*

1           “(1) development of after-school homework sup-  
2           port and summer and vacation reading programs;

3           “(2) development of family literacy programs;

4           “(3) extension of branch hours to provide space  
5           and resources for homework;

6           “(4) development of coalitions and training pro-  
7           grams involving libraries and other service providers  
8           in the State;

9           “(5) development of technological resources;

10          “(6) hiring specialized outreach staff; and

11          “(7) development of peer tutoring programs.

12           **“CHAPTER 3—ADMINISTRATIVE**

13                           **PROVISIONS**

14           **“Subchapter A—State Requirements**

15           **“SEC. 251. STATE EVALUATION.**

16           “(a) *IN GENERAL.*—Each State receiving a grant  
17           under this subtitle shall annually evaluate, in accordance  
18           with subsections (b) and (c), the activities assisted under  
19           subchapters A and B of chapter 2.

20           “(b) *SUBCHAPTER A ACTIVITIES.*—Each evaluation of  
21           activities assisted under subchapter A of chapter 2 shall in-  
22           clude a description of how effective such activities are in  
23           ensuring that—

24                   “(1) every American will have affordable access  
25           to information resources through electronic networks;

1           “(2) every public library will be connected to na-  
2           tional and international electronic networks;

3           “(3) every State library agency will promote  
4           planning and provide support for full library partici-  
5           pation in electronic networks;

6           “(4) every public librarian will possess the  
7           knowledge and skills needed to help people obtain in-  
8           formation through electronic sources; and

9           “(5) every public library will be equipped with  
10          the technology needed to help people obtain informa-  
11          tion in an effective and timely manner.

12          “(c) *SUBCHAPTER B ACTIVITIES.*—

13                 “(1) *IN GENERAL.*—Each evaluation of activities  
14                 assisted under subchapter B of chapter 2 shall in-  
15                 clude—

16                         “(A) with respect to activities to increase  
17                         literacy and lifelong learning—

18                                 “(i) an analysis of the current situa-  
19                                 tion in the State;

20                                 “(ii) how such activities will meet the  
21                                 needs of the current situation in the State  
22                                 and the target groups to be served; and

23                                 “(iii) a report of the effect of such ac-  
24                                 tivities in relation to the objectives of such  
25                                 activities;

1           “(B) with respect to activities to serve peo-  
2           ple in rural and urban areas—

3                   “(i) procedures used to identify library  
4                   users within a community;

5                   “(ii) a description of needs and target  
6                   groups to be served;

7                   “(iii) an analysis of the levels of suc-  
8                   cess to be targeted;

9                   “(iv) a report of the effect of such ac-  
10                  tivities in relation to the objectives of such  
11                  activities; and

12                  “(v) a description of the background of  
13                  the current level of library service to people  
14                  in rural and urban areas, and how such ac-  
15                  tivities will extend, improve, and further  
16                  provide library resources to such people;

17           “(C) with respect to activities to support the  
18           provision of special services—

19                   “(i) an analysis of the current situa-  
20                   tion in the State;

21                   “(ii) how such activities will meet the  
22                   needs of the current situation in the State;  
23                   and

1                   “(iii) a report of the effect of such ac-  
2                   tivities in relation to the objectives of such  
3                   activities; and

4                   “(D) with respect to activities to serve chil-  
5                   dren under section 243—

6                   “(i) an analysis of the current local  
7                   situations;

8                   “(ii) a description of such activities,  
9                   including objectives and costs of such activi-  
10                  ties; and

11                  “(iii) a report of the effect of such ac-  
12                  tivities in relation to the objectives of such  
13                  activities.

14                  “(2) INFORMATION.—Each public library receiv-  
15                  ing assistance under section 243 shall submit to the  
16                  State library administrative agency such information  
17                  as such agency may require to meet the requirements  
18                  of paragraph (1)(D).

19                  **“SEC. 252. STATE ADVISORY COUNCILS.**

20                  “(a) COUNCILS REQUIRED.—Each State desiring as-  
21                  sistance under this subtitle shall establish a State advisory  
22                  council.

23                  “(b) COMPOSITION.—Each State advisory council shall  
24                  be broadly representative of the library entities in the State,  
25                  including public, school, academic, special, and institu-

1 *tional libraries, and libraries serving individuals with dis-*  
 2 *abilities.*

3 “(c) *DUTIES.*—*Each State advisory council shall—*

4 “(1) *consult with the State library administra-*  
 5 *tive agency regarding the development of the State*  
 6 *plan;*

7 “(2) *advise the State library administrative*  
 8 *agency on the development of, and policy matters*  
 9 *arising in the administration of, the State plan, in-*  
 10 *cluding mechanisms for evaluation;*

11 “(3) *assist the State library administrative*  
 12 *agency in—*

13 “(A) *the dissemination of information re-*  
 14 *garding activities assisted under this subtitle;*  
 15 *and*

16 “(B) *the evaluation of activities assisted*  
 17 *under this subtitle; and*

18 “(4) *establish bylaws to carry out such council’s*  
 19 *duties under this subsection.*

20 **“Subchapter B—Federal Requirements**

21 **“SEC. 261. SERVICES FOR INDIAN TRIBES.**

22 “(a) *GRANTS AUTHORIZED.*—*From amounts reserved*  
 23 *under section 221(a)(1) for any fiscal year the Director*  
 24 *shall award grants to organizations primarily serving and*  
 25 *representing Indian tribes to enable such organizations to*

1 *carry out the authorized activities described in subsection*  
2 *(b).*

3       “(b) *AUTHORIZED ACTIVITIES.*—*Grant funds awarded*  
4 *under this section may be used for—*

5           “(1) *inservice or preservice training of Indians*  
6 *as library personnel;*

7           “(2) *the purchase of library materials;*

8           “(3) *the conduct of special library programs for*  
9 *Indians;*

10          “(4) *salaries of library personnel;*

11          “(5) *transportation to enable Indians to have ac-*  
12 *cess to library services;*

13          “(6) *dissemination of information about library*  
14 *services;*

15          “(7) *assessment of tribal library needs; and*

16          “(8) *contracts to provide public library services*  
17 *to Indians living on or near reservations or to accom-*  
18 *plish any activities described in paragraphs (1)*  
19 *through (7).*

20       “(c) *PROHIBITION.*—*No funds shall be awarded pursu-*  
21 *ant to this section unless such funds will be administered*  
22 *by a librarian.*

23       “(d) *DUPLICATION.*—*In awarding grants under this*  
24 *section, the Director shall take such actions as may be nec-*  
25 *essary to prevent the grant funds provided under this sec-*

1 *tion from being received by any 2 or more entities to serve*  
2 *the same population.*

3       “(e) *MAINTENANCE OF EFFORT.*—*Each organization*  
4 *that receives a grant under this section and supports a pub-*  
5 *lic library system shall continue to expend from Federal,*  
6 *State, and local sources an amount not less than the*  
7 *amount expended by such organization from such sources*  
8 *for public library services during the second fiscal year pre-*  
9 *ceding the fiscal year for which the determination is made.*

10       “(f) *CONSTRUCTION.*—*Nothing in this section shall be*  
11 *construed to prohibit the dissemination of restricted collec-*  
12 *tions of tribal cultural materials with funds made available*  
13 *under this section.*

14       “(g) *APPLICATION.*—

15               “(1) *IN GENERAL.*—*Any organization which de-*  
16 *sires to receive a grant under this section shall submit*  
17 *an application to the Director that—*

18                       “(A) *describes the activities and services for*  
19 *which assistance is sought; and*

20                       “(B) *contains such information as the Di-*  
21 *rector may require by regulation.*

22               “(2) *CRITERIA.*—*The Director shall issue criteria*  
23 *for the approval of applications under this section,*  
24 *but such criteria shall not include—*

25                       “(A) *an allotment formula; or*

1                   “(B) a matching of funds requirement.

2   **“SEC. 262. NATIONAL LEADERSHIP PROGRAM.**

3           “(a) *IN GENERAL.*—From the amounts reserved under  
4 *section 221(a)(2) for any fiscal year the Director shall es-*  
5 *tablish and carry out a program of national leadership and*  
6 *evaluation activities to enhance the quality of library serv-*  
7 *ices nationwide. Such activities may include—*

8                   “(1) *education and training of persons in li-*  
9 *brary and information science, particularly in areas*  
10 *of new technology and other critical needs, including*  
11 *graduate fellowships, traineeships, institutes, or other*  
12 *programs;*

13                   “(2) *research and demonstration projects related*  
14 *to the improvement of libraries, education in library*  
15 *and information science, enhancement of library serv-*  
16 *ices through effective and efficient use of new tech-*  
17 *nologies, and dissemination of information derived*  
18 *from such projects; and*

19                   “(3) *preservation or digitization of library mate-*  
20 *rials and resources, giving priority to projects empha-*  
21 *sizing coordination, avoidance of duplication, and ac-*  
22 *cess by researchers beyond the institution or library*  
23 *entity undertaking the project.*

24           “(b) *GRANTS OR CONTRACTS.*—

1           “(1) *IN GENERAL.*—The Director may carry out  
2           the activities described in subsection (a) by awarding  
3           grants to, or entering into contracts with, library en-  
4           tities, agencies, or institutions of higher education.

5           “(2) *COMPETITIVE BASIS.*—Grants and contracts  
6           described in paragraph (1) shall be awarded on a  
7           competitive basis.

8           “(c) *SPECIAL RULE.*—The Director, with policy advice  
9           from the Museum Board shall make every effort to ensure  
10          that activities assisted under this section are administered  
11          by appropriate library and information services profes-  
12          sionals or experts and science professionals or experts.

13          **“SEC. 263. STATE AND LOCAL INITIATIVES.**

14          “Nothing in this subtitle shall be construed to interfere  
15          with State and local initiatives and responsibility in the  
16          conduct of library services. The administration of libraries,  
17          the selection of personnel and library books and materials,  
18          and insofar as consistent with the purposes of this subtitle,  
19          the determination of the best uses of the funds provided  
20          under this subtitle, shall be reserved to the States and their  
21          local subdivisions.

22          **“Subtitle C—Museum Services**

23          **“SEC. 271. PURPOSE.**

24          “It is the purpose of this subtitle—

1           “(1) to encourage and assist museums in their  
2           educational role, in conjunction with formal systems  
3           of elementary, secondary, and postsecondary edu-  
4           cation and with programs of nonformal education for  
5           all age groups;

6           “(2) to assist museums in modernizing their  
7           methods and facilities so that the museums may be  
8           better able to conserve the cultural, historic, and sci-  
9           entific heritage of the United States; and

10           “(3) to ease the financial burden borne by muse-  
11           ums as a result of their increasing use by the public.

12   **“SEC. 272. DEFINITIONS.**

13           “As used in this subtitle, the term ‘museum’ means a  
14           public or private nonprofit agency or institution organized  
15           on a permanent basis for essentially educational or aes-  
16           thetic purposes, that utilizes a professional staff, owns or  
17           utilizes tangible objects, cares for the tangible objects, and  
18           exhibits the tangible objects to the public on a regular basis.

19   **“SEC. 273. MUSEUM SERVICES ACTIVITIES.**

20           “(a) GRANTS.—The Director, subject to the policy di-  
21           rection of the Museum Board, may make grants to museums  
22           to pay for the Federal share of the cost of increasing and  
23           improving museum services, through such activities as—

1           “(1) programs to enable museums to construct or  
2           install displays, interpretations, and exhibitions in  
3           order to improve museum services to the public;

4           “(2) assisting museums in developing and main-  
5           taining professionally trained or otherwise experi-  
6           enced staff to meet their needs;

7           “(3) assisting museums in meeting their admin-  
8           istrative costs in preserving and maintaining their  
9           collections, exhibiting the collections to the public, and  
10          providing educational programs to the public through  
11          the use of the collections;

12          “(4) assisting museums in cooperating with each  
13          other in developing traveling exhibitions, meeting  
14          transportation costs, and identifying and locating col-  
15          lections available for loan;

16          “(5) assisting museums in conservation of their  
17          collections; and

18          “(6) developing and carrying out specialized  
19          programs for specific segments of the public, such as  
20          programs for urban neighborhoods, rural areas, In-  
21          dian reservations, and penal and other State institu-  
22          tions.

23          “(b) *CONTRACTS AND COOPERATIVE AGREEMENTS.*—

24                 “(1) *PROJECTS TO STRENGTHEN MUSEUM SERV-*  
25                 *ICES.*—The Director, subject to the policy direction of

1     *the Museum Board, is authorized to enter into con-*  
2     *tracts and cooperative agreements with appropriate*  
3     *entities to pay for the Federal share of enabling the*  
4     *entities to undertake projects designed to strengthen*  
5     *museum services, except that any contracts or cooper-*  
6     *ative agreements entered into pursuant to this sub-*  
7     *section shall be effective only to such extent or in such*  
8     *amounts as are provided in appropriations Acts.*

9             “(2) *LIMITATION ON AMOUNT.*—*The aggregate*  
10     *amount of financial assistance made available under*  
11     *this subsection for a fiscal year shall not exceed 15*  
12     *percent of the amount appropriated under this sub-*  
13     *title for such fiscal year.*

14             “(3) *OPERATIONAL EXPENSES.*—*No financial as-*  
15     *istance may be provided under this subsection to pay*  
16     *for operational expenses.*

17             “(c) *FEDERAL SHARE.*—

18                 “(1) *50 PERCENT.*—*Except as provided in para-*  
19     *graph (2), the Federal share described in subsections*  
20     *(a) and (b) shall be not more than 50 percent.*

21                 “(2) *100 PERCENT.*—*The Director may use not*  
22     *more than 20 percent of the funds made available*  
23     *under this section for a fiscal year to make grants*  
24     *under subsection (a), or enter into contracts or agree-*

1        *ments under subsection (b), for which the Federal*  
2        *share may be 100 percent.*

3        *“(d) REVIEW AND EVALUATION.—The Director shall*  
4        *establish procedures for reviewing and evaluating grants,*  
5        *contracts, and cooperative agreements made or entered into*  
6        *under this section. Procedures for reviewing grant applica-*  
7        *tions or contracts and cooperative agreements for financial*  
8        *assistance under this section shall not be subject to any re-*  
9        *view outside of the Institute.*

10        **“SEC. 274. ASSESSMENTS.**

11        *“(a) IN GENERAL.—The Director, subject to the policy*  
12        *direction of the Museum Board and in consultation with*  
13        *appropriate representatives of museums and other types of*  
14        *community institutions, agencies, and organizations, shall*  
15        *undertake an assessment of the collaborative possibilities*  
16        *museums can engage in to serve the public more broadly*  
17        *and effectively.*

18        *“(b) CONTENTS.—The assessment shall include—*

19                *“(1) an investigation of opportunities to estab-*  
20                *lish collaborative programs between museums within*  
21                *a community, including an investigation of the role*  
22                *that larger institutions can play as mentors to small-*  
23                *er institutions;*

1           “(2) an investigation of opportunities to estab-  
2           lish collaborative programs between museums and  
3           community organizations;

4           “(3) an investigation of the potential for collabo-  
5           ration between museums on technology issues to reach  
6           a broader audience; and

7           “(4) an investigation of opportunities for muse-  
8           ums to work with each other and with other commu-  
9           nity resources to serve the public better and to coordi-  
10          nate professional and financial development activi-  
11          ties.

12          “(c) *LIMITATION.*—This section shall not apply in any  
13          fiscal year for which the amount appropriated under sec-  
14          tion 277(a) is less than \$28,700,000.

15          **“SEC. 275. AWARD.**

16          “The Director, with the advice of the Museum Board,  
17          may annually award a National Award for Museum Serv-  
18          ice to outstanding museums that have made significant con-  
19          tributions in service to their communities.

20          **“SEC. 276. NATIONAL MUSEUM SERVICES BOARD.**

21          “(a) *ESTABLISHMENT.*—There is established in the In-  
22          stitute a National Museum Services Board.

23          “(b) *COMPOSITION AND QUALIFICATIONS.*—

24                  “(1) *COMPOSITION.*—The Museum Board shall  
25          consist of the Director and 14 members appointed by

1 *the President, by and with the advice and consent of*  
2 *the Senate.*

3 “(2) *QUALIFICATIONS.*—*The appointive members*  
4 *of the Museum Board shall be selected from among*  
5 *citizens of the United States—*

6 “(A) *who are members of the general public;*

7 “(B) *who are or have been affiliated with—*

8 “(i) *resources that, collectively, are*  
9 *broadly representative of the curatorial,*  
10 *conservation, educational, and cultural re-*  
11 *sources of the United States; and*

12 “(ii) *museums that, collectively, are*  
13 *broadly representative of various types of*  
14 *museums, including museums relating to*  
15 *science, history, technology, and art, zoos,*  
16 *and botanical gardens; and*

17 “(C) *who are recognized for their broad*  
18 *knowledge, expertise, or experience in museums*  
19 *or commitment to museums.*

20 “(3) *GEOGRAPHIC AND OTHER REPRESENTA-*  
21 *TION.*—*Members of the Museum Board shall be ap-*  
22 *pointed to reflect persons from various geographic re-*  
23 *gions of the United States. The Museum Board may*  
24 *not include, at any time, more than 3 members from*  
25 *a single State. In making such appointments, the*

1     *President shall give due regard to equitable represen-*  
2     *tation of women, minorities, and persons with dis-*  
3     *abilities who are involved with museums.*

4     “(c) *TERMS.—*

5         “(1) *IN GENERAL.—Each appointive member of*  
6     *the Museum Board shall serve for a term of 5 years,*  
7     *except that—*

8             “(A) *of the members first appointed, 3 shall*  
9     *serve for terms of 5 years, 3 shall serve for terms*  
10    *of 4 years, 3 shall serve for terms of 3 years, 3*  
11    *shall serve for terms of 2 years, and 2 shall serve*  
12    *for terms of 1 year, as designated by the Presi-*  
13    *dent at the time of nomination for appointment;*  
14    *and*

15            “(B) *any member appointed to fill a va-*  
16    *cancy shall serve for the remainder of the term*  
17    *for which the predecessor of the member was ap-*  
18    *pointed.*

19            “(2) *REAPPOINTMENT.—No member of the Mu-*  
20    *seum Board who has been a member for more than*  
21    *7 consecutive years shall be eligible for reappoint-*  
22    *ment.*

23            “(3) *SERVICE UNTIL SUCCESSOR TAKES OF-*  
24    *FICE.—Notwithstanding any other provision of this*  
25    *subsection, a member shall serve after the expiration*

1       *of the term of the member until the successor to the*  
2       *member takes office.*

3       “(d) *DUTIES AND POWERS.*—*The Museum Board shall*  
4       *have the responsibility for general policies with respect to*  
5       *the duties, powers, and authorities vested in the Institute*  
6       *relating to museum services, including general policies with*  
7       *respect to—*

8               “(1) *financial assistance awarded under this*  
9       *title for museum services;*

10              “(2) *projects described in section 204(c)(2); and*

11              “(3) *measures to ensure that the policies and ac-*  
12       *tivities of the Institute for Museum and Library Serv-*  
13       *ices are coordinated with other activities of the Fed-*  
14       *eral Government.*

15       “(e) *CHAIRPERSON.*—*The President shall designate 1*  
16       *of the appointive members of the Museum Board as Chair-*  
17       *person of the Museum Board.*

18       “(f) *MEETINGS.*—

19              “(1) *IN GENERAL.*—*The Museum Board shall*  
20       *meet—*

21                      “(A) *not less than 3 times each year, in-*  
22       *cluding—*

23                              “(i) *not less than 2 times each year*  
24                              *separately; and*

1                   “(ii) not less than 1 time each year in  
2                   a joint meeting with the Commission, con-  
3                   vened for purposes of making general poli-  
4                   cies with respect to financial assistance for  
5                   projects described in section 204(c)(2); and  
6                   “(B) at the call of the Director.

7                   “(2) VOTE.—All decisions by the Museum Board  
8                   with respect to the exercise of the duties and powers  
9                   of the Museum Board shall be made by a majority  
10                  vote of the members of the Museum Board who are  
11                  present. All decisions by the Commission and the Mu-  
12                  seum Board with respect to the policies described in  
13                  paragraph (1)(A)(ii) shall be made by a  $\frac{2}{3}$  majority  
14                  vote of the total number of the members of the Com-  
15                  mission and the Museum Board who are present.

16                  “(g) QUORUM.—A majority of the members of the Mu-  
17                  seum Board shall constitute a quorum for the conduct of  
18                  business at official meetings of the Museum Board, but a  
19                  lesser number of members may hold hearings. A majority  
20                  of the members of the Commission and a majority of the  
21                  members of the Museum Board shall constitute a quorum  
22                  for the conduct of business at official joint meetings of the  
23                  Commission and the Museum Board.

24                  “(h) COMPENSATION AND TRAVEL EXPENSES.—

1           “(1) *COMPENSATION.*—Each member of the Mu-  
2           seum Board who is not an officer or employee of the  
3           Federal Government shall be compensated at a rate to  
4           be fixed by the President, but not to exceed the daily  
5           equivalent of the maximum rate authorized for a po-  
6           sition above grade GS-15 of the General Schedule  
7           under section 5108 of title 5, United States Code, for  
8           each day (including travel time) during which such  
9           member is engaged in the performance of the duties  
10          of the Museum Board. All members of the Museum  
11          Board who are officers or employees of the Federal  
12          Government shall serve without compensation in ad-  
13          dition to compensation received for their services as  
14          officers or employees of the Federal Government.

15          “(2) *TRAVEL EXPENSES.*—The members of the  
16          Museum Board shall be allowed travel expenses, in-  
17          cluding per diem in lieu of subsistence, in the same  
18          amounts and to the same extent, as authorized under  
19          section 5703 of title 5, United States Code, for per-  
20          sons employed intermittently in Federal Government  
21          service.

22          “(i) *COORDINATION.*—The Museum Board, with the  
23          advice of the Director, shall take steps to ensure that the  
24          policies and activities of the Institute are coordinated with  
25          other activities of the Federal Government.

1 **“SEC. 277. AUTHORIZATION OF APPROPRIATIONS.**

2       “(a) *GRANTS.*—For the purpose of carrying out this  
3 subtitle, there are authorized to be appropriated to the Di-  
4 rector \$28,700,000 for the fiscal year 1996, and such sums  
5 as may be necessary for each of the fiscal years 1997  
6 through 2000.

7       “(b) *ADMINISTRATION.*—Not more than 10 percent of  
8 the funds appropriated under this section for a fiscal year  
9 may be used to pay for the administrative costs of carrying  
10 out this subtitle.

11       “(c) *JOINT PROJECTS.*—Not less than 5 percent and  
12 not more than 7 percent of the funds appropriated under  
13 this section for a fiscal year may be made available for  
14 projects described in section 204(c)(2) for the fiscal year.

15       “(d) *SUMS REMAINING AVAILABLE.*—Sums appro-  
16 priated pursuant to subsection (a) for any fiscal year shall  
17 remain available for obligation until expended.”.

18 **SEC. 202. NATIONAL COMMISSION ON LIBRARIES AND IN-**  
19 **FORMATION SCIENCE.**

20       (a) *FUNCTIONS.*—Section 5 of the National Commis-  
21 sion on Libraries and Information Science Act (20 U.S.C.  
22 1504) is amended—

23               (1) by redesignating subsections (b) through (d)  
24 as subsections (d) through (f), respectively; and

25               (2) by inserting after subsection (a) the follow-  
26 ing:

1       “(b) The Commission shall have the responsibility to  
2 advise the Director of the Institute of Museum and Library  
3 Services on general policies with respect to the duties and  
4 powers vested in the Institute of Museum and Library Serv-  
5 ices relating to library services, including—

6               “(1) general policies with respect to—

7                       “(A) financial assistance awarded under the  
8 Museum and Library Services Act for library  
9 services; and

10                      “(B) projects described in section 204(c)(2)  
11 of such Act; and

12               “(2) measures to ensure that the policies and ac-  
13 tivities of the Institute of Museum and Library Serv-  
14 ices are coordinated with other activities of the Fed-  
15 eral Government.

16       “(c)(1) The Commission shall meet not less than 1 time  
17 each year in a joint meeting with the National Museum  
18 Services Board, convened for purposes of providing advice  
19 on general policy with respect to financial assistance for  
20 projects described in section 204(c)(2) of such Act.

21               “(2) All decisions by the Commission and the National  
22 Museum Services Board with respect to the advice on gen-  
23 eral policy described in paragraph (1) shall be made by  
24 a  $\frac{2}{3}$  majority vote of the total number of the members of

1 *the Commission and the National Museum Services Board*  
2 *who are present.*

3       “(3) *A majority of the members of the Commission and*  
4 *a majority of the members of the National Museum Services*  
5 *Board shall constitute a quorum for the conduct of business*  
6 *at official joint meetings of the Commission and the Na-*  
7 *tional Museum Services Board.”.*

8       **(b) MEMBERSHIP.**—*Section 6 of the National Commis-*  
9 *sion on Libraries and Information Science Act (20 U.S.C.*  
10 *1505) is amended—*

11           **(1) in subsection (a)—**

12                   **(A) in the first sentence, by striking “Li-**  
13 *brarian of Congress” and inserting “Librarian*  
14 *of Congress, the Director of the Institute of Mu-*  
15 *seum and Library Services (who shall serve as*  
16 *an ex officio, nonvoting member),”;*

17                   **(B) in the second sentence—**

18                           **(i) by striking “special competence or**  
19 *interest in” and inserting “special com-*  
20 *petence in or knowledge of; and*

21                           **(ii) by inserting before the period the**  
22 *following: “and at least one other of whom*  
23 *shall be knowledgeable with respect to the li-*  
24 *brary and information service and science*  
25 *needs of the elderly”;*

1           (C) in the third sentence, by inserting “ap-  
2           pointive” before “members”; and

3           (D) in the last sentence, by striking “term  
4           and at least” and all that follows and inserting  
5           “term.”; and

6           (2) in subsection (b), by striking “the rate speci-  
7           fied” and all that follows through “and while” and  
8           inserting “the daily equivalent of the maximum rate  
9           authorized for a position above grade GS-15 of the  
10          General Schedule under section 5108 of title 5, United  
11          States Code, for each day (including traveltime) dur-  
12          ing which the members are engaged in the business of  
13          the Commission. While”.

14 **SEC. 203. TRANSFER OF FUNCTIONS FROM INSTITUTE OF**  
15 **MUSEUM SERVICES.**

16          (a) *DEFINITIONS.*—For purposes of this section, unless  
17 otherwise provided or indicated by the context—

18           (1) the term “Federal agency” has the meaning  
19 given to the term “agency” by section 551(1) of title  
20 5, United States Code;

21           (2) the term “function” means any duty, obliga-  
22 tion, power, authority, responsibility, right, privilege,  
23 activity, or program; and

1           (3) *the term “office” includes any office, admin-*  
2           *istration, agency, institute, unit, organizational en-*  
3           *tity, or component thereof.*

4           (b) *TRANSFER OF FUNCTIONS.—There are transferred*  
5           *to the Institute of Museum and Library Services established*  
6           *under section 203 of the Museum and Library Services Act*  
7           *all functions that the Director of the Institute of Museum*  
8           *Services exercised before the date of enactment of this section*  
9           *(including all related functions of any officer or employee*  
10           *of the Institute of Museum Services).*

11           (c) *DETERMINATIONS OF CERTAIN FUNCTIONS BY THE*  
12           *OFFICE OF MANAGEMENT AND BUDGET.—If necessary, the*  
13           *Office of Management and Budget shall make any deter-*  
14           *mination of the functions that are transferred under sub-*  
15           *section (b).*

16           (d) *DELEGATION AND ASSIGNMENT.—Except where*  
17           *otherwise expressly prohibited by law or otherwise provided*  
18           *by this section, the Director of the Institute of Museum and*  
19           *Library Services may delegate any of the functions trans-*  
20           *ferred to the Director of the Institute of Museum and Li-*  
21           *brary Services by this section and any function transferred*  
22           *or granted to such Director of the Institute of Museum and*  
23           *Library Services after the effective date of this section to*  
24           *such officers and employees of the Institute of Museum and*  
25           *Library Services as the Director of the Institute of Museum*

1 *and Library Services may designate, and may authorize*  
2 *successive redelegations of such functions as may be nec-*  
3 *essary or appropriate. No delegation of functions by the Di-*  
4 *rector of the Institute of Museum and Library Services*  
5 *under this section or under any other provision of this sec-*  
6 *tion shall relieve such Director of the Institute of Museum*  
7 *and Library Services of responsibility for the administra-*  
8 *tion of such functions.*

9       *(e) REORGANIZATION.—The Director of the Institute of*  
10 *Museum and Library Services may allocate or reallocate*  
11 *any function transferred under subsection (b) among the*  
12 *officers of the Institute of Museum and Library Services,*  
13 *and may establish, consolidate, alter, or discontinue such*  
14 *organizational entities in the Institute of Museum and Li-*  
15 *brary Services as may be necessary or appropriate.*

16       *(f) RULES.—The Director of the Institute of Museum*  
17 *and Library Services may prescribe, in accordance with*  
18 *chapters 5 and 6 of title 5, United States Code, such rules*  
19 *and regulations as the Director of the Institute of Museum*  
20 *and Library Services determines to be necessary or appro-*  
21 *priate to administer and manage the functions of the Insti-*  
22 *tute of Museum and Library Services.*

23       *(g) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS*  
24 *AND PERSONNEL.—Except as otherwise provided in this*  
25 *section, the personnel employed in connection with, and the*

1 *assets, liabilities, contracts, property, records, and unex-*  
2 *pended balances of appropriations, authorizations, alloca-*  
3 *tions, and other funds employed, used, held, arising from,*  
4 *available to, or to be made available in connection with*  
5 *the functions transferred by this section, subject to section*  
6 *1531 of title 31, United States Code, shall be transferred*  
7 *to the Institute of Museum and Library Services. Unex-*  
8 *pended funds transferred pursuant to this subsection shall*  
9 *be used only for the purposes for which the funds were origi-*  
10 *nally authorized and appropriated.*

11 *(h) INCIDENTAL TRANSFERS.—The Director of the Of-*  
12 *fice of Management and Budget, at such time or times as*  
13 *the Director shall provide, may make such determinations*  
14 *as may be necessary with regard to the functions transferred*  
15 *by this section, and make such additional incidental dis-*  
16 *positions of personnel, assets, liabilities, grants, contracts,*  
17 *property, records, and unexpended balances of appropria-*  
18 *tions, authorizations, allocations, and other funds held,*  
19 *used, arising from, available to, or to be made available*  
20 *in connection with such functions, as may be necessary to*  
21 *carry out this section. The Director of the Office of Manage-*  
22 *ment and Budget shall provide for the termination of the*  
23 *affairs of all entities terminated by this section and for such*  
24 *further measures and dispositions as may be necessary to*  
25 *effectuate the purposes of this section.*

1       (i) *EFFECT ON PERSONNEL.*—

2           (1) *IN GENERAL.*—*Except as otherwise provided*  
3 *by this section, the transfer pursuant to this section*  
4 *of full-time personnel (except special Government em-*  
5 *ployees) and part-time personnel holding permanent*  
6 *positions shall not cause any such employee to be sep-*  
7 *arated or reduced in grade or compensation for 1*  
8 *year after the date of transfer of such employee under*  
9 *this section.*

10          (2) *EXECUTIVE SCHEDULE POSITIONS.*—*Except*  
11 *as otherwise provided in this section, any person who,*  
12 *on the day preceding the effective date of this section,*  
13 *held a position compensated in accordance with the*  
14 *Executive Schedule prescribed in chapter 53 of title 5,*  
15 *United States Code, and who, without a break in*  
16 *service, is appointed in the Institute of Museum and*  
17 *Library Services to a position having duties com-*  
18 *parable to the duties performed immediately preced-*  
19 *ing such appointment shall continue to be com-*  
20 *pensated in such new position at not less than the*  
21 *rate provided for such previous position, for the dura-*  
22 *tion of the service of such person in such new posi-*  
23 *tion.*

24       (j) *SAVINGS PROVISIONS.*—

1           (1) *CONTINUING EFFECT OF LEGAL DOCU-*  
2           *MENTS.—All orders, determinations, rules, regula-*  
3           *tions, permits, agreements, grants, contracts, certifi-*  
4           *cates, licenses, registrations, privileges, and other ad-*  
5           *ministrative actions—*

6                     (A) *that have been issued, made, granted, or*  
7                     *allowed to become effective by the President, any*  
8                     *Federal agency or official of a Federal agency, or*  
9                     *by a court of competent jurisdiction, in the per-*  
10                    *formance of functions that are transferred under*  
11                    *this section; and*

12                    (B) *that were in effect before the effective*  
13                    *date of this section, or were final before the effec-*  
14                    *tive date of this section and are to become effec-*  
15                    *tive on or after the effective date of this section;*  
16                    *shall continue in effect according to their terms until*  
17                    *modified, terminated, superseded, set aside, or revoked*  
18                    *in accordance with law by the President, the Director*  
19                    *of the Institute of Museum and Library Services or*  
20                    *other authorized official, a court of competent juris-*  
21                    *isdiction, or by operation of law.*

22           (2) *PROCEEDINGS NOT AFFECTED.—This section*  
23           *shall not affect any proceedings, including notices of*  
24           *proposed rulemaking, or any application for any li-*  
25           *cence, permit, certificate, or financial assistance*

1     *pending before the Institute of Museum Services on*  
2     *the effective date of this section, with respect to func-*  
3     *tions transferred by this section. Such proceedings*  
4     *and applications shall be continued. Orders shall be*  
5     *issued in such proceedings, appeals shall be taken*  
6     *from the orders, and payments shall be made pursu-*  
7     *ant to the orders, as if this section had not been en-*  
8     *acted, and orders issued in any such proceedings shall*  
9     *continue in effect until modified, terminated, super-*  
10    *seded, or revoked by a duly authorized official, by a*  
11    *court of competent jurisdiction, or by operation of*  
12    *law. Nothing in this paragraph shall be construed to*  
13    *prohibit the discontinuance or modification of any*  
14    *such proceeding under the same terms and conditions*  
15    *and to the same extent that such proceeding could*  
16    *have been discontinued or modified if this section had*  
17    *not been enacted.*

18           (3) *SUITS NOT AFFECTED.—This section shall*  
19    *not affect suits commenced before the effective date of*  
20    *this section, and in all such suits, proceedings shall*  
21    *be had, appeals taken, and judgments rendered in the*  
22    *same manner and with the same effect as if this sec-*  
23    *tion had not been enacted.*

24           (4) *NONABATEMENT OF ACTIONS.—No suit, ac-*  
25    *tion, or other proceeding commenced by or against the*

1 *Institute of Museum Services, or by or against any*  
2 *individual in the official capacity of such individual*  
3 *as an officer of the Institute of Museum Services, shall*  
4 *abate by reason of the enactment of this section.*

5 (5) *ADMINISTRATIVE ACTIONS RELATING TO PRO-*  
6 *MULGATION OF REGULATIONS.*—*Any administrative*  
7 *action relating to the preparation or promulgation of*  
8 *a regulation by the Institute of Museum Services re-*  
9 *lating to a function transferred under this section*  
10 *may be continued by the Institute of Museum and Li-*  
11 *brary Services with the same effect as if this section*  
12 *had not been enacted.*

13 (k) *TRANSITION.*—*The Director of the Institute of Mu-*  
14 *seum and Library Services may utilize—*

15 (1) *the services of such officers, employees, and*  
16 *other personnel of the Institute of Museum Services*  
17 *with respect to functions transferred to the Institute*  
18 *of Museum and Library Services by this section; and*

19 (2) *funds appropriated to such functions for such*  
20 *period of time as may reasonably be needed to facili-*  
21 *tate the orderly implementation of this section.*

22 (l) *REFERENCES.*—*A reference in any other Federal*  
23 *law, Executive order, rule, regulation, or delegation of au-*  
24 *thority, or any document of or relating to—*

1           (1) *the Director of the Institute of Museum Serv-*  
2 *ices with regard to functions transferred under sub-*  
3 *section (b), shall be deemed to refer to the Director of*  
4 *the Institute of Museum and Library Services; and*

5           (2) *the Institute of Museum Services with regard*  
6 *to functions transferred under subsection (b), shall be*  
7 *deemed to refer to the Institute of Museum and Li-*  
8 *brary Services.*

9           (m) *ADDITIONAL CONFORMING AMENDMENTS.—*

10           (1) *RECOMMENDED LEGISLATION.—After con-*  
11 *sultation with the appropriate committees of Congress*  
12 *and the Director of the Office of Management and*  
13 *Budget, the Director of the Institute of Museum and*  
14 *Library Services shall prepare and submit to the ap-*  
15 *propriate committees of Congress recommended legis-*  
16 *lation containing technical and conforming amend-*  
17 *ments to reflect the changes made by this section.*

18           (2) *SUBMISSION TO CONGRESS.—Not later than*  
19 *6 months after the effective date of this section, the*  
20 *Director of the Institute of Museum and Library*  
21 *Services shall submit to the appropriate committees of*  
22 *Congress the recommended legislation referred to*  
23 *under paragraph (1).*

1 **SEC. 204. SERVICE OF INDIVIDUALS SERVING ON DATE OF**  
2 **ENACTMENT.**

3 *Notwithstanding section 204 of the Museum and Li-*  
4 *brary Services Act, the individual who was appointed to*  
5 *the position of Director of the Institute of Museum Services*  
6 *under section 205 of the Museum Services Act (as such sec-*  
7 *tion was in effect on the day before the date of enactment*  
8 *of this Act) and who is serving in such position on the day*  
9 *before the date of enactment of this Act shall serve as the*  
10 *first Director of the Institute of Museum and Library Serv-*  
11 *ices under section 204 of the Museum and Library Services*  
12 *Act (as added by section 201 of this Act), and shall serve*  
13 *at the pleasure of the President.*

14 **SEC. 205. CONSIDERATION.**

15 *Consistent with title 5, United States Code, in ap-*  
16 *pointing employees of the Office of Library Services, the Di-*  
17 *rector of the Institute of Museum and Library Services shall*  
18 *give strong consideration to individuals with experience in*  
19 *administering State-based and national library and infor-*  
20 *mation services programs.*

21 **SEC. 206. REPEALS AND TECHNICAL AND CONFORMING**  
22 **AMENDMENTS.**

23 (a) *REPEALS.*—

24 (1) *LIBRARY SERVICES AND CONSTRUCTION*  
25 *ACT.*—*The Library Services and Construction Act (20*  
26 *U.S.C. 351 et seq.) is repealed.*

1           (2) *HIGHER EDUCATION ACT OF 1965.*—Title II  
2           of the Higher Education Act of 1965 (20 U.S.C. 1021  
3           et seq.) is repealed.

4           (b) *REFERENCES TO LIBRARY SERVICES AND CON-*  
5           *STRUCTION ACT.*—

6           (1) *OMNIBUS EDUCATION RECONCILIATION ACT*  
7           *OF 1981.*—Section 528 of the Omnibus Education  
8           Reconciliation Act of 1981 (20 U.S.C. 3489) is  
9           amended—

10                   (A) by striking paragraph (12); and

11                   (B) by redesignating paragraphs (13)  
12                   through (15) as paragraphs (12) through (14),  
13                   respectively.

14           (2) *ELEMENTARY AND SECONDARY EDUCATION*  
15           *ACT OF 1965.*—Section 3113(10) of the Elementary  
16           and Secondary Education Act of 1965 (20 U.S.C.  
17           6813(10)) is amended by striking “section 3 of the Li-  
18           brary Services and Construction Act” and inserting  
19           “section 213(7) of the Library Services and Tech-  
20           nology Act”.

21           (3) *COMMUNITY IMPROVEMENT VOLUNTEER ACT*  
22           *OF 1994.*—Section 7305 of the Community Improve-  
23           ment Volunteer Act of 1994 (40 U.S.C. 276d-3) is  
24           amended—

25                   (A) by striking paragraph (1); and

1           (B) by redesignating paragraphs (2)  
2           through (6) as paragraphs (1) through (5), re-  
3           spectively.

4           (4) APPALACHIAN REGIONAL DEVELOPMENT ACT  
5           OF 1965.—Section 214(c) of the Appalachian Regional  
6           Development Act of 1965 (40 U.S.C. App. 214(c)) is  
7           amended by striking “Library Services and Construc-  
8           tion Act;”.

9           (5) DEMONSTRATION CITIES AND METROPOLITAN  
10          DEVELOPMENT ACT OF 1966.—Section 208(2) of the  
11          Demonstration Cities and Metropolitan Development  
12          Act of 1966 (42 U.S.C. 3338(2)) is amended by strik-  
13          ing “title II of the Library Services and Construction  
14          Act;”.

15          (6) PUBLIC LAW 87-688.—Subsection (c) of the  
16          first section of the Act entitled “An Act to extend the  
17          application of certain laws to American Samoa”, ap-  
18          proved September 25, 1962 (48 U.S.C. 1666(c)) is  
19          amended by striking “the Library Services Act (70  
20          Stat. 293; 20 U.S.C. 351 et seq.),”.

21          (c) REFERENCES TO INSTITUTE OF MUSEUM SERV-  
22          ICES.—

23          (1) TITLE 5, UNITED STATES CODE.—Section  
24          5315 of title 5, United States Code, is amended by  
25          striking the following:

1           “*Director of the Institute of Museum Services.*”  
2           and inserting the following:

3           “*Director of the Institute of Museum and Li-*  
4           *brary Services.*”.

5           (2) *DEPARTMENT OF EDUCATION ORGANIZATION*  
6           *ACT.—Section 301 of the Department of Education*  
7           *Organization Act (20 U.S.C. 3441) is amended—*

8                   (A) *in subsection (a)—*

9                           (i) *by striking paragraph (5); and*

10                           (ii) *by redesignating paragraphs (6)*  
11                           *and (7) as paragraphs (5) and (6), respec-*  
12                           *tively; and*

13                   (B) *in subsection (b)—*

14                           (i) *by striking paragraph (4); and*

15                           (ii) *by redesignating paragraphs (5)*  
16                           *through (7) as paragraphs (4) through (6),*  
17                           *respectively.*

18           (3) *ELEMENTARY AND SECONDARY EDUCATION*  
19           *ACT OF 1965.—*

20                   (A) *Sections 2101(b), 2205(c)(1)(D),*  
21                   *2208(d)(1)(H)(v), and 2209(b)(1)(C)(vi), and*  
22                   *subsections (d)(6) and (e)(2) of section 10401 of*  
23                   *the Elementary and Secondary Education Act of*  
24                   *1965 (20 U.S.C. 6621(b), 6645(c)(1)(D),*  
25                   *6648(d)(1)(H)(v), 6649(b)(1)(C)(vi), and 8091*

1           (d)(6) and (e)(2)) are amended by striking “the  
2           Institute of Museum Services” and inserting “the  
3           Institute of Museum and Library Services”.

4           (B) Section 10412(b) of such Act (20 U.S.C.  
5           8102(b)) is amended—

6                   (i) in paragraph (2), by striking “the  
7                   Chairman of the National Endowment for  
8                   the Humanities, the Chairman of the Na-  
9                   tional Endowment for the Arts, and the Di-  
10                  rector of the Institute of Museum Services,”  
11                  and inserting “the Chairperson of the Na-  
12                  tional Endowment for the Humanities, the  
13                  Chairperson of the National Endowment for  
14                  the Arts, and the Director of the Institute of  
15                  Museum and Library Services,”; and

16                   (ii) in paragraph (7), by striking “the  
17                   Chairman of the National Endowment for  
18                   the Humanities, the Chairman of the Na-  
19                   tional Endowment for the Arts and the Di-  
20                  rector of the Institute of Museum Services,”  
21                  and inserting “the Chairperson of the Na-  
22                  tional Endowment for the Humanities, the  
23                  Chairperson of the National Endowment for  
24                  the Arts, and the Director of the Institute of  
25                  Museum and Library Services,”.

1           (C) Section 10414(a)(2)(B) of such Act (20  
2           U.S.C. 8104(a)(2)(B)) is amended by striking  
3           clause (iii) and inserting the following new  
4           clause:

5                     “(iii) the Institute of Museum and Li-  
6                     brary Services.”.

7           (d) REFERENCES TO HIGHER EDUCATION ACT OF  
8           1965.—

9                     (1) HIGHER EDUCATION ACT OF 1965.—Para-  
10                    graph (2) of section 356(b) of the Higher Education  
11                    Act of 1965 (20 U.S.C. 1069b(b)) is amended by strik-  
12                    ing “II,”.

13                    (2) HIGHER EDUCATION AMENDMENTS OF  
14                    1986.—Part D of title XIII of the Higher Education  
15                    Amendments of 1986 (20 U.S.C. 1029 note) is re-  
16                    pealed.

17           (e) REFERENCES TO OFFICE OF LIBRARIES AND  
18           LEARNING RESOURCES.—

19                    (1) EDUCATION AMENDMENTS OF 1974.—Section  
20                    519 of the Education Amendments of 1974 (20 U.S.C.  
21                    1221i) is repealed.

22                    (2) DEPARTMENT OF EDUCATION ORGANIZATION  
23                    ACT.—Section 413(b)(1) of the Department of Edu-  
24                    cation Organization Act (20 U.S.C. 3473(b)(1)) is  
25                    amended—

1                   (A) by striking subparagraph (H); and  
2                   (B) by redesignating subparagraphs (I)  
3                   through (M) as subparagraphs (H) through (L),  
4                   respectively.

5       **TITLE III—ARTS AND ARTIFACTS**  
6                   **INDEMNITY ACT**

7       **SEC. 301. ARTS AND ARTIFACTS.**

8           *The Arts and Artifacts Indemnity Act (20 U.S.C. 971*  
9       *et seq.) is amended to read as follows:*

10       **“SECTION 1. SHORT TITLE.**

11           *“This Act may be cited as the ‘Arts and Artifacts In-*  
12       *demnity Act’.*

13       **“SEC. 2. INDEMNITY FOR EXHIBITIONS OF ARTS AND ARTI-**  
14                   **FACTS.**

15           *“The Chairperson of the National Endowment for the*  
16       *Arts (referred to in this title as the ‘Chairperson’) may*  
17       *enter into agreements to indemnify against loss or damage*  
18       *such items as may be eligible for such indemnity agreements*  
19       *under section 3—*

20           *“(1) in accordance with the provisions of this*  
21       *Act; and*

22           *“(2) on such terms and conditions as the Chair-*  
23       *person shall prescribe, by regulation, in order to*  
24       *achieve the objectives of this Act and, consistent with*

1        *such objectives, to protect the financial interest of the*  
2        *United States.*

3        ***“SEC. 3. ELIGIBLE ITEMS.***

4        *“(a) TYPES OF ITEMS.—The Chairperson may enter*  
5        *into an indemnity agreement under section 2 with respect*  
6        *to items—*

7                *“(1) that are—*

8                        *“(A) works of art, including tapestries,*  
9                        *paintings, sculpture, folk art, and graphics and*  
10                        *craft arts;*

11                        *“(B) manuscripts, rare documents, books, or*  
12                        *other printed or published materials;*

13                        *“(C) other artifacts or objects; or*

14                        *“(D) photographs, motion pictures, or audio*  
15                        *and video tape;*

16                        *“(2) that are of educational, cultural, historical,*  
17                        *or scientific value; and*

18                        *“(3) the exhibition of which is certified (where*  
19                        *appropriate) by the Secretary of State or the designee*  
20                        *of the Secretary of State as being in the national in-*  
21                        *terest.*

22        *“(b) ITEMS ON EXHIBITION.—*

23                *“(1) SCOPE.—An indemnity agreement made*  
24                *under this Act shall cover eligible items while on exhi-*  
25                *bition, generally when the items are part of an ex-*

1        *change of exhibitions. An item described in subsection*  
2        *(a) that is part of an exhibition that originates either*  
3        *in the United States or outside the United States and*  
4        *that is touring the United States shall be considered*  
5        *to be an eligible item.*

6            *“(2) DEFINITION.—For purposes of this sub-*  
7        *section, the term ‘on exhibition’ includes the period of*  
8        *time beginning on the date the eligible items leave the*  
9        *premises of the lender or place designated by the lend-*  
10       *er and ending on the date such items are returned to*  
11       *the premises of the lender or place designated by the*  
12       *lender.*

13        **“SEC. 4. APPLICATIONS.**

14            *“(a) IN GENERAL.—Any person, nonprofit agency, in-*  
15        *stitution, or government desiring to enter into an indem-*  
16        *nity agreement for eligible items under this Act shall submit*  
17        *an application to the Chairperson at such time, in such*  
18        *manner and in accordance with such procedures, as the*  
19        *Chairperson shall, by regulation, prescribe.*

20            *“(b) CONTENTS.—An application submitted under*  
21        *subsection (a) shall—*

22            *“(1) describe each item to be covered by the*  
23        *agreement (including an estimated value of such*  
24        *item);*

1           “(2) show evidence that the item is an item de-  
2           scribed in section 3(a); and

3           “(3) set forth policies, procedures, techniques,  
4           and methods with respect to preparation for, and con-  
5           duct of, exhibition of the item, and any transpor-  
6           tation related to such item.

7           “(c) APPROVAL.—On receipt of an application under  
8           this section, the Chairperson shall review the application  
9           as described in section 5 and, if the Chairperson agrees with  
10          the estimated value described in the application and if such  
11          application conforms with the requirements of this Act, ap-  
12          prove the application and enter into an indemnity agree-  
13          ment with the applicant under section 2. On such approval,  
14          the agreement shall constitute a contract between the Chair-  
15          person and the applicant pledging the full faith and credit  
16          of the United States to pay any amount for which the  
17          Chairperson becomes liable under such agreement. The  
18          Chairperson, for such purpose, is authorized to pledge the  
19          full faith and credit of the United States.

20          **“SEC. 5. INDEMNITY AGREEMENT.**

21          “(a) REVIEW.—On receipt of an application meeting  
22          the requirements of subsections (a) and (b) of section 4, the  
23          Chairperson shall review the estimated value of the items  
24          for which coverage by an indemnity agreement is sought.

1       “(b) *AGGREGATE AMOUNT OF LOSS OR DAMAGE.*—The  
2 *aggregate amount of loss or damage covered by indemnity*  
3 *agreements made under this Act shall not exceed*  
4 *\$3,000,000,000, at any one time.*

5       “(c) *INDIVIDUAL AMOUNT OF LOSS OR DAMAGE.*—No  
6 *indemnity agreement for a single exhibition shall cover loss*  
7 *or damage in excess of \$300,000,000.*

8       “(d) *EXTENT OF COVERAGE.*—If the estimated value  
9 *of the items covered by an indemnity agreement for a single*  
10 *exhibition is—*

11               “(1) *\$2,000,000 or less, then coverage under this*  
12 *Act shall extend only to loss or damage in excess of*  
13 *the first \$15,000 of loss or damage to the items cov-*  
14 *ered;*

15               “(2) *more than \$2,000,000 but less than*  
16 *\$10,000,000, then coverage under this Act shall extend*  
17 *only to loss or damage in excess of the first \$25,000*  
18 *of loss or damage to the items covered;*

19               “(3) *not less than \$10,000,000 but less than*  
20 *\$125,000,000, then coverage under this Act shall ex-*  
21 *tend only to loss or damage in excess of the first*  
22 *\$50,000 of loss or damage to the items covered;*

23               “(4) *not less than \$125,000,000 but less than*  
24 *\$200,000,000, then coverage under this Act shall ex-*

1        *tend only to loss or damage in excess of the first*  
2        *\$100,000 of loss or damage to the items covered; or*  
3            *“(5) \$200,000,000 or more, then coverage under*  
4        *this Act shall extend only to loss or damage in excess*  
5        *of the first \$200,000 of loss or damage to the items*  
6        *covered.*

7        **“SEC. 6. REGULATIONS AND CERTIFICATION.**

8            *“(a) REGULATIONS.—The Chairperson shall prescribe*  
9        *regulations providing for prompt adjustment of valid*  
10       *claims for loss or damage to items that are covered by an*  
11       *agreement entered into pursuant to section 2, including*  
12       *provision for arbitration of issues relating to the dollar*  
13       *value of damages involving less than total loss or destruc-*  
14       *tion of such covered items.*

15          *“(b) CERTIFICATION.—In the case of a claim of loss*  
16       *or damage with respect to an item that is covered by an*  
17       *agreement entered into pursuant to section 2, the Chair-*  
18       *person shall certify the validity of the claim and the amount*  
19       *of the loss to the Speaker of the House of Representatives*  
20       *and the President pro tempore of the Senate.*

21        **“SEC. 7. REPORT.**

22          *“The Chairperson shall prepare, and submit at the end*  
23       *of each fiscal year to the appropriate committees of Con-*  
24       *gress, a report containing information on—*

1           “(1) all claims paid pursuant to this Act during  
2           such year;

3           “(2) pending claims against the Chairperson  
4           under this Act as of the end of such year; and

5           “(3) the aggregate face value of contracts entered  
6           into by the Chairperson that are outstanding at the  
7           end of such year.

8   **“SEC. 8. AUTHORIZATION OF APPROPRIATIONS.**

9           “*There are authorized to be appropriated such sums*  
10 *as may be necessary—*

11           “(1) *to enable the Chairperson to carry out the*  
12 *functions of the Chairperson under this Act; and*

13           “(2) *to pay claims certified pursuant to section*  
14 *6(b).”.*

Amend the title so as to read: “To amend the National Foundation on the Arts and the Humanities Act of 1965, the Museum Services Act, and the Arts and Artifacts Indemnity Act to improve and extend the Acts, and for other purposes.”.

S 856 RS—2

S 856 RS—3

S 856 RS—4

S 856 RS—5

S 856 RS—6

S 856 RS—7

- S 856 RS—8
- S 856 RS—9
- S 856 RS—10
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- S 856 RS—21
- S 856 RS—22
- S 856 RS—23
- S 856 RS—24