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*10/10/76
akla*

APPROVED

OCT 08 1976

THE WHITE HOUSE

ACTION

WASHINGTON

Last Day: October 9

October 5, 1976

*Statement issued
10/10/76*

*Posted
10/9/76*

*archives
10/12/76*

MEMORANDUM FOR THE PRESIDENT

FROM:

JIM CANNON *J. Cannon*

SUBJECT:

H.R. 12838 - Arts, Humanities and Cultural Affairs Act of 1976

Attached for your consideration is H.R. 12838, sponsored by Representative Brademas.

The enrolled bill would:

- Extend through fiscal year 1980 the authorization for activities of the National Foundation on the Arts and Humanities;
- Establish two new programs in the Foundation (a "challenge grant" program and an American Bicentennial Photography and Film Project)
- Establish within HEW an Institute of Museum Services.
- Provide for Senate confirmation of members of the National Council on the Arts and Humanities.

A detailed discussion of the provisions of the enrolled bill is provided in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, Counsel's Office (Kilberg) and I recommend approval of the enrolled bill and the proposed signing statement which has been cleared by the White House Editorial Office (Smith).

RECOMMENDATION

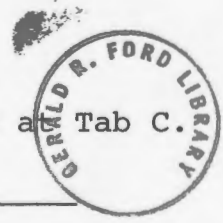
That you sign H.R. 12838 at Tab B.

That you approve the signing statement at Tab C.

Approve

J. Cannon

Disapprove





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 2 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 12838 - Arts, Humanities
and Cultural Affairs Act of 1976
Sponsor - Rep. Brademas (D) Indiana

Last Day for Action

October 9, 1976 - Saturday

Purpose

Amends and extends through fiscal 1980 the authorization for activities of the National Foundation on the Arts and the Humanities; authorizes new categorical grant programs; establishes a Museum Services Institute in the Department of Health, Education, and Welfare (HEW).

Agency Recommendations

Office of Management and Budget	Approval (Signing statement attached)
National Endowment for the Humanities	Approval (Signing statement attached)
National Endowment for the Arts	Approval (Signing statement attached)
Department of Health, Education, and Welfare	Defers to National Foundation on the Arts and Humanities

Discussion

H.R. 12838 extends for four years the appropriations authorization for the National Foundation on the Arts and the Humanities and establishes a Museum Institute and the following new categorical grant programs:

- a museum grant program,
- a photography and film grant program, and



-- "challenge grant" programs for the support of cultural organizations and institutions.

The Administration proposal provided for a three year extension of existing program authorities. H.R. 12838 was passed by a vote of 279-59 in the House and by voice vote in the Senate.

New program authorities. H.R. 12838 establishes two new programs in the Foundation. First, within both the National Endowment for the Arts and the National Endowment for the Humanities, the bill establishes a "challenge grant" program. This effort, already undertaken by the Arts Endowment under existing general authority, is designed to increase public donations to cultural institutions by providing Federal matching funds for operating support. Federal participation is, therefore, contingent upon securing private support. H.R. 12838 provides new specific matching authority with specific authorizations for the program: \$12 million in fiscal year 1977, \$18 million in 1978, and "such sums" in 1979 and 1980 for each Endowment. The Administration opposed the challenge grant program because it would duplicate existing authority and create pressures for additional funding.

In addition, the bill provides for the establishment of an American Bicentennial Photography and Film Project in the Arts Endowment with authorized levels of \$4 million in fiscal year 1977 and \$2 million in 1978.

The bill also contains several amendments requiring increased public representation in the activities of State humanities councils and a greater rotation in membership on the councils.

The Administration opposed the photography and film project proposal. The Humanities Endowment did not favor changing the operations of State humanities councils, but finds the provisions in H.R. 12838 acceptable.

Museum Services Institute. H.R. 12838 establishes within HEW an Institute of Museum Services. The Institute would be authorized to make grants to museums for the stated purpose of accelerating the improvement of museum services to the public. The bill requires that the Institute

Director (Executive Level V) and 15 members of the National Museum Services Board be appointed by the President subject to Senate confirmation. Appropriations are authorized at \$15 million for fiscal year 1977, \$25 million for 1978 and "such sums" for 1979 and 1980. The bill also provides authority to match private donations to be used to further the purposes of the Institute. While not subject to an authorization limit in this bill, the extent of matching would be controlled by appropriations enacted for this purpose.

The Administration strongly opposed the establishment of the Institute on the grounds that Federal support for general operating expenses of museums is inappropriate and more properly the responsibility of State and local government, as well as the private sector.

Other provisions. H.R. 12838 provides, for the first time, for Senate confirmation of members of the National Council on the Arts and Humanities. The Arts Endowment believes that this provision could result in delays in the appointment process or in politicization of the process. The Humanities Endowment has no objection to the provision.

Costs

H.R. 12838 would authorize for all programs, including the Museum Services Institute, except for its open-ended matching authority, \$250 million for fiscal year 1977, \$300 million for 1978, and "such sums" for 1979 and 1980, excluding private donations. The Administration bill proposed authorizations of \$252 million for each of the fiscal years 1977, 1978, and 1979, the same as authorized for 1976.

Your budget request for 1977 was \$185 million for current Foundation programs. The amount appropriated by Congress for 1977 is \$180.5 million. We believe the inclusion of new separate authorities will likely result in appropriation levels in excess of currently budgeted totals.

Recommendations

The National Endowment for the Arts and National Endowment for the Humanities both recommend approval and have enclosed separate draft signing statements for your consideration.

HEW strongly objects to the establishment of the Museum Services Institute and has enclosed a draft insert for use in a signing statement expressing serious reservations about this provision.

* * * * *

We believe there are flaws in this legislation, particularly the creation of the Museum Services Institute within HEW and the creation of other categorical, separate authorities. However, we do not think they are sufficiently objectionable to warrant a veto in light of your commitment to the Arts and Humanities. We, therefore, recommend approval and have prepared a draft signing statement, should you decide to issue one.


Acting Director

Enclosures

STATEMENT BY THE PRESIDENT

I am pleased today to sign H.R. 12838 authorizing the National Foundation on the Arts and the Humanities to continue and expand its work through 1980. The Arts, Humanities and Cultural Affairs Act of 1976 reflects the continuing strong bipartisan support of the programs of the National Endowments for the Arts and for the Humanities.

I have supported the Foundation continuously, both as a Congressman and since I became President. The support of the Arts and Humanities provided by the Federal Government has permitted a marked increase in individual participation in, and support of, a wide range of cultural activities.

In striving to make America's third century the century of the individual, the Foundation should play a leadership role in improving the quality of life throughout the nation. I take great pride in signing this legislation in reaffirmation of that strong commitment of my Administration.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: October 4

Time: 500pm

FOR ACTION: Sarah Massengale *oh* cc (for information):
 Max Friedersdorf *or*
 Bobbie Kilberg *oh*
 Robert Hartmann

Jack Marsh
 Jim Connor
 Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date:

October 5

Time:

500pm

SUBJECT:

H.R. 12838-Arts, Humanities and Cultural Affairs
 Act of 1976

ACTION REQUESTED:

 For Necessary Action For Your Recommendations Prepare Agenda and Brief Draft Reply For Your Comments Draft Remarks .

REMARKS:

please return to judy johnston, ground floor west wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

 K. R. COLE, JR.
 For the President

STATEMENT BY THE PRESIDENT ' 1

I am pleased today to sign H.R. 12838 authorizing the National Foundation on the Arts and the Humanities to continue and expand its work through 1980. The Arts, Humanities and Cultural Affairs Act of 1976 reflects the continuing strong bipartisan support of the programs of the National Endowments for the Arts and for the Humanities.

I have supported the Foundation continuously, both as a Congressman and since I became President. The seed money for support of the Arts and Humanities which has been provided by the Federal Government has permitted a marked increase in individual participation in, and support of, a wide range of cultural activities.

In striving to make America's third century the century of the "individual," the Foundation should play a leadership role in improving the quality of life throughout the nation. I take great pride in signing this legislation in reaffirmation of that strong commitment of my Administration.



NATIONAL ENDOWMENT FOR THE HUMANITIES

WASHINGTON, D. C. 20506

THE CHAIRMAN

September 29, 1976

Mr. James M. Frey
Assistant Director for Legislative
Reference
Office of Management and Budget
Washington, D.C. 20503

Attn: Miss Martha Ramsey

Dear Mr. Frey:

This is in response to your request for views and recommendations of the National Endowment for the Humanities on H.R. 12838, the Arts, Humanities, and Cultural Affairs Act of 1976. I shall limit my comments to those portions of the legislation which affect this Endowment.

Sec. 103(b) would require Senate confirmation of the President's appointments to the National Council on the Humanities. This Endowment has no objection to this provision.

Sec. 104 inserts for the first time legislative language governing the State Humanities Program. It represents a compromise between an earlier Senate view that the NEH State Humanities Committees should be part of the State Governments and the Endowment's earlier view, backed by the House of Representatives, that they should have no connection to the State Governments. The compromise is acceptable to this Endowment; we endorse it, and will carry out its provisions to the best of our ability. One problem is presented by the fact that Section 104(b) makes the new legislation effective October 1, 1977, and there is no organization in any State which meets the requirements. Therefore, it will be necessary for the Endowment to work out, with the cooperation of OMB and the Congressional Committees, procedures which will permit a continued State Humanities Program in States where prior grants expire but no group yet meets the requirements of Section 104.

Sec. 105 provides minimum wage rates for performers and professional personnel employed on projects of the Humanities Endowment and requires safe working conditions for them. A similar requirement has long been imposed on the Arts Endowment. The Humanities Endowment endorses this provision.

Sec. 106 authorizes appropriations for Fiscal Year 1977 through 1980. The Endowment endorses this provision.

Title II establishes within HEW an Institute of Museum Services. The National Endowment for the Humanities makes no objection to this Title.

Title III authorizes a Challenge Grant Program in both Endowments. That in the Humanities will, if the Administration recommends funding, be useful to numerous humanistic organizations, such as historical associations, museums, libraries and others, which presently have a bad financial situation but which can be encouraged by the offer of challenge money to develop reliable sources of voluntary support from organizations and individuals which make use of their services and from the general public.

The National Endowment for the Humanities recommends approval of H.R. 12838 by the President. Suggested language the President might use in a signing statement is attached.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald S. Berman". The signature is fluid and cursive, with a large, prominent "B" in the middle.

Ronald S. Berman
Chairman

Attachment

NATIONAL ENDOWMENT FOR THE HUMANITIES

WASHINGTON, D.C. 20506



SUGGESTED LANGUAGE FOR THE PRESIDENT IN SIGNING THE NFAH REAUTHORIZATION (H.R. 12838)

I am pleased that after extensive review and consultation with numerous individuals and organizations around the country the Congress has agreed with me that the work of the Humanities Endowment and its services to the broad public should not only be continued but expanded. The legislation I am signing today will enable the Endowment:

- to step up its support for the production of television programs like the Adams Chronicles, which showed that this country can match the best humanities programming of foreign countries (on which American television has been dependent);
- to upgrade the teaching of the humanities not only for young Americans but for persons in all levels of education, including in professional schools where humanistic concerns should be integrated with technical and vocational preparation;
- to seek effective ways of enabling more Americans to use humanistic knowledge as in the successful "Courses By Newspaper" project running in newspapers across the country;
- to continue to help scholars illuminate our history and culture and the ethical dimensions of the problems we face as a nation;
- to help financially pressed cultural institutions -- like museums, libraries, and historical societies -- expand their private base of support while serving ever-increasing audiences;
- and to work with State and local governments in making the humanities a useful resource for all our citizens.

NATIONAL
ENDOWMENT
FOR
THE ARTS

WASHINGTON
D.C. 20506



A Federal agency advised by the
National Council on the Arts

September 28, 1976

Mr. James M. Frey
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Frey:

The following represents our views and recommendations on enrolled bill H.R. 12838, the Arts, Humanities, and Cultural Affairs Act of 1976, to amend and extend the National Foundation on the Arts and the Humanities Act of 1965, to provide for the improvement of museum services, to establish Challenge Grant Programs in the Arts and the Humanities Endowments, and for other purposes. While we are pleased to recommend Presidential approval of this legislation, we wish to make several observations on the bill. We shall restrict our comments to provisions affecting the Arts Endowment.

Title I, Section 103, amends Section 6(b) of the Act by providing for the Senate's advice and consent with respect to Presidential appointment of members of the National Council on the Arts. The Arts Endowment is concerned that this provision could result in delays in the appointment process, or in the politicization of that process. We hope the provision will have no adverse effect on the 12-year history of appointments of expert advisors who have been selected in accordance with the enabling legislation, so as to include citizens widely recognized for their professionalism and profound interest in the arts, civic cultural leaders, artists, and members of the museum profession.

Title II, the "Museum Services Act," recognizing the educational role of museums, authorizes a program of grants to museums by establishing an Institute of Museum Services within the Department of Health, Education, and Welfare. Grants are to be made by the Director of the Institute under the policy direction of a National Museum Services Board (Sec. 206(a)). The Board is to consist of fifteen members appointed by the President, with the advice and consent of the Senate. In addition, the Chairmen of the Arts and the Humanities Endowments, the Secretary of the Smithsonian Institution, the Director of the National Science Foundation, and the Commissioner of Education are named under the bill to sit as non-voting members of the Board (Sec. 204).

We have several concerns with respect to this Title. For example, there are no provisions relating to the promulgation of regulations and procedures in connection with the submission and receipt of applications for assistance under the program. Nor are there provisions which describe a role for the Museum Services Board in connection with the review of grant applications to the Institute, as is the case with the National Council on the Arts under Section 6(f) of the existing act. Nor is there authority providing for the appointment of panels of experts to assist in the formulation of policy and to assist the Institute in its grant-making activities, which authority, again, is provided for in the basic act in connection with the programs of the Arts Endowment and the Humanities Endowment. (Without this latter authority, panels of experts may not be utilized unless provided for in an appropriation act, in accordance with 5 U.S.C. 3109.)

Although the Director, in the making of Institute grants, is "subject to the policy direction of the Board" (Sec. 206 (a)), the bill appears to allow the Director almost total discretion in the making of grants, without any statutory requirement of expert advice. The experience of the National Endowment for the Arts has demonstrated the great value and importance of expert participation in the grant application review process. Therefore it is hoped that any appropriation bill providing funding for the Institute will also provide express authority for the hiring of expert consultants.

We are pleased to see that under Section 204(g) the Board, with the advice of the Director, is to take steps to assure proper coordination of Institute activities with those of other Federal agencies. Hopefully, duplication in the implementation of these programs can thus be avoided. This is essential because the Arts Endowment carries out ongoing grant-making programs for museums in the areas of Aid to Special Exhibitions, Museum Purchase Plan, Museum Education, Utilization of Museum Collections, Catalogue, Conservation, Renovation (Climate Control, Security, Storage), Museum Training, Services to the Field, Fellowships for Museum Professionals, Visiting Specialists, Cooperative Programs, and General Programs. The Humanities Endowment, Smithsonian Institution and National Science Foundation also have programs which support museum activities.

Another concern relates to private and other public contributions to be matched by Federal appropriations available to the Institute for such purposes (Sec. 207 and 209(d)). In this connection, we repeat our previous statements that such an open-ended matching authority seems inappropriate and unwise. A specific ceiling would have given the agency a private and public support goal at which to aim, and would have been consistent with the gift authority already contained in the act for the Arts and the Humanities Endowments. We assume, however, that the Appropriations Committee will provide such a ceiling.

With regard to Title III, entitled "Challenge Grant Programs," we recognize that the provisions creating the new challenge programs for the Arts and the Humanities Endowments (Sec. 301) utilize language that is identical in many respects, thus creating the danger of public confusion regarding the purpose of the legislation. It is clear, however, from a careful reading of the bill and Conference Report, that it is the intent of the Congress that the new Challenge Grant Programs will retain and reflect the unique and intrinsic differences in the programs of the two agencies as delineated in sections 3, 5, and 7 of the National Foundation on the Arts and the Humanities Act. The Conference Report states (pp., 26-27):

"The conference substitute establishes a separate challenge grant program under the basic authority of each Endowment. In addition, the conference substitute authorizes the funding of bicentennial projects by the National Endowment for the Humanities. The Chairman of the National Endowment for the Humanities, with the advice of the National Council on the Humanities, will make appropriate determinations regarding the distribution of funds under section 7(h)(1), taking cognizance of section 7(h)(1)(F) of the Act, dealing with bicentennial programs. The Chairman, with the advice of the Council, may waive up to 15 percent of the matching requirements with respect to the funding of bicentennial projects.

"In creating two separate challenge programs, the conferees wish to stress that each Endowment carry out two distinctly different missions relating to the arts and the humanities, as defined in section 3(a) and section 3(b) of the Act. Two wholly different programs will result, based on these distinct missions, and the authority pursuant to section 7(h)(1) for bicentennial programs which applies to the National Endowment for the Humanities."

Accordingly, we suggest that any Presidential signing statement on the legislation contain an endorsement of this Congressional intent.

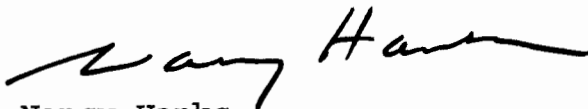
With regard to Title IV, entitled "American Bicentennial Photography and Film Project," we share OMB's concern with line-iteming or earmarking of funds for specific arts fields or projects. However, we do not believe that this authority sets an undesirable precedent in this connection, in view

of the fact that it is limited in time (2 fiscal years, 1977 and 1978) and is Bicentennial related. Moreover, it is not intended to support the particular art forms of photography and film in themselves, but rather to create an historically significant photographic and film portrait of the people and communities of the United States.

H.R. 12838 would authorize for all programs, including the Museum Services Institute, except for its open-ended gift authority, \$250,000,000 for fiscal 1977, \$300,000,000 for fiscal 1978, and "such sums" for fiscal years 1979 and 1980. The Department of Interior and Related Agencies Appropriation Bill for 1977, already signed by the President, provides a total of \$180,500,000 for the Foundation, but is contingent upon enactment into law of H.R. 12838. The Administration proposed reauthorization legislation for the Foundation (H.R. 8060, S. 1809) would have provided for a three year continuation of Federal funding at a level of \$252,000,000 for each of the fiscal years 1977, 1978, and 1979, the same as authorized for fiscal year 1976. The Administration bills contained no other amending provisions.

The National Endowment for the Arts recommends Presidential approval of H.R. 12838. (Attached for your consideration is a draft Presidential Signing Statement.)

Sincerely,



Nancy Hanks
Chairman

Reauthorization of National Foundation on
the Arts and the Humanities

I am pleased today to sign legislation authorizing the National Foundation on the Arts and the Humanities to continue and expand its effective work through 1980. The Arts, Humanities, and Cultural Affairs Act of 1976, H.R. 12838, reflects the continuing strong bipartisan support of the programs of the National Endowments for the Arts and for the Humanities. Both are of increasing importance as we strive to improve the quality of life and to make America's third century the century of the individual.

Although I have some concerns with respect to certain provisions in this legislation, which I hope will be corrected at a later date, I sign this bill with enthusiasm.



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

SEP 29 1976

Dear Mr. Lynn:

This is in response to your request for a report on H.R. 12838, an enrolled bill "To amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes".

In summary, we continue to object to title II of the enrolled bill, which would establish within this Department an Institute of Museum Services. However, since the primary purpose of the enrolled bill is to amend and extend the National Foundation on the Arts and the Humanities Act of 1965, we defer to the Foundation as to the desirability of the enactment of the enrolled bill.

Title I of the bill would extend the authorization of appropriations for the Foundation through fiscal year 1980 and would provide a number of substantive amendments to the Act relating solely to the activities of the Foundation.

Title II would establish within the Department of Health, Education, and Welfare an Institute of Museum Services, consisting of a National Museum Services Board and a Director of the Institute. The Board would consist of fifteen members, appointed by the President with the advice and consent of the Senate, broadly representative of various museums, of the curatorial, educational and cultural resources of the United States, and of the general public. The Director would also be appointed by the President with the advice and consent of the Senate, would be compensated at the rate for executive level V, and would report to the Secretary of Health, Education, and Welfare with respect to the activities of the Institute.

Subject to the policy direction of the Board, the Director would be authorized to make grants to museums to increase and improve museum services including (1) the construction and installation of displays and exhibitions, (2) developing and maintaining experienced staff, (3) meeting the administrative costs of preserving and maintaining collections and providing educational programs to the public, (4) inter-museum arrangements, (5) the conservation of artifacts and art objects, and (6) developing and carrying out special programs for specific population groups. Grants under this title could be used to pay up to 50 percent of the cost of programs, except that up to 20 percent of the total appropriation could be used for grants without regard to that limitation. The Institute would be authorized to accept grants, gifts, and bequests of money for use in furtherance of the functions of the Institute.

The amount authorized to be appropriated for grants by the Institute would be \$15 million for fiscal year 1977, \$25 million for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980. Such sums as may be necessary would also be authorized to be appropriated to administer the provisions of this title. A further authorization would be provided through fiscal year 1980 to match the amount of any private contributions to the Institute.

Title III of the bill would amend the National Foundation on the Arts and Humanities Act to establish within both the National Endowment for the Arts and the National Endowment for the Humanities a challenge grant program to stimulate public support of and interest in the activities of cultural organizations and institutions.

Title IV of the bill would establish an American Bicentennial Photograph and Film Project, to be administered under the National Endowment for the Arts.

Title V of the bill would amend section 409 of the Education Amendments of 1974 to provide an additional authorization of \$2 million for fiscal year 1978 to carry out the Elementary and Secondary School Education in the Arts program under that section. These funds would be available without regard to the earmarks and restrictions on other funds which are appropriated for the Special Projects Act.

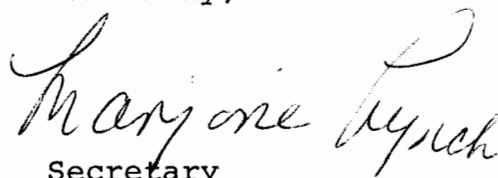
We believe strongly that placing the Institute of Museum Services in this Department is inappropriate. While museums serve an educational function, that function is not closely related to the Department's existing educational program responsibilities. The bill would require the establishment within this Department of a relatively small administrative unit to carry out responsibilities substantially unrelated to the Department's ongoing activities.

We also question whether there is any need for a new program of general institutional assistance for museums. Support for those institutions has traditionally been provided by State and local governments as well as by contributions from private sources. We believe there is no justification for substantial Federal involvement in this area.

We also question the need for an additional authorization for the Elementary and Secondary School Education in the Arts program. This program is currently carried out in conjunction with the John F. Kennedy Center for the Performing Arts at an annual level of \$750,000. We can find no indication in the legislative history as to the need this additional authorization is intended to meet.

Because the enrolled bill primarily affects the programs administered by the National Foundation on the Arts and Humanities, we feel it is appropriate for this Department to defer to the Foundation as to the desirability of enactment of the enrolled bill. However, should the President decide to approve the bill, we urge that his signing statement include an expression of our serious reservations about the provisions of the bill creating a new Institute of Museum Services. To that end, we have enclosed a short insert to be used in any such statement.

Sincerely,



Under

Secretary

Enclosure

PROPOSED INSERT FOR PRESIDENT'S
SIGNING STATEMENT ON H.R. 12838,
RELATING TO THE MUSEUM SERVICES ACT

While I am signing this measure, I would like to make clear my serious reservations about the provisions of this bill which create a new Institute of Museum Services within the Department of Health, Education, and Welfare.

This Institute is another example of the Congress' penchant for creating new organizations in the Federal government in an attempt to solve perceived problems, rather than using the existing structures. This particular creation suffers from the further defect of being almost totally removed from the daily control and direction of the Cabinet officer responsible for administration of the Department of Health, Education, and Welfare.

I would hope that the Congress will reconsider the desirability of this Institute just as soon as possible in the 95th Congress.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: October 4

Time: 500pm

FOR ACTION: Sarah Massengale
Max Friedersdorf
Bobbie Kilberg
Robert Hartmann

cc (for information): Jack Marsh
Jim Connor
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: October 5

Time: 500pm

SUBJECT:

H.R. 12838-Arts, Humanities and Cultural Affairs
Act of 1976

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

*approved. Like on B agency statement
Kilberg 10/5/76*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: October 4

Time: 500pm

FOR ACTION: Sarah Massengale
Max Friedersdorf *MU* cc (for information):
Bobbie Kilberg
Robert Hartmann

Jack Marsh
Jim Connor
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: October 5

Time: 500pm

SUBJECT:

H.R. 12838-Arts, Humanities and Cultural Affairs
Act of 1976

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

Recommend Approval - MEF

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President

*By Courier - 10/6/76
to San Fran.*

THE WHITE HOUSE
WASHINGTON
October 5, 1976

ACTION

Last Day: October 9

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON *[Signature]*
SUBJECT: H.R. 12838 - Arts, Humanities and Cultural
Affairs Act of 1976

Attached for your consideration is H.R. 12838, sponsored
by Representative Brademas.

The enrolled bill would:

- Extend through fiscal year 1980 the authorization
for activities of the National Foundation on the
Arts and Humanities;
- Establish two new programs in the Foundation (a
"challenge grant" program and an American Bicentennial
Photography and Film Project)
- Establish within HEW an Institute of Museum Services.
- Provide for Senate confirmation of members of the
National Council on the Arts and Humanities.

A detailed discussion of the provisions of the enrolled
bill is provided in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, Counsel's Office (Kilberg) and I
recommend approval of the enrolled bill and the proposed
signing statement which has been cleared by the White
House Editorial Office (Smith).

RECOMMENDATION

That you sign H.R. 12838 at Tab B.

That you approve the signing statement at Tab C.

Approve _____ Disapprove _____



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

OCT 2 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 12838 - Arts, Humanities
and Cultural Affairs Act of 1976
Sponsor - Rep. Brademas (D) Indiana

Last Day for Action

October 9, 1976 - Saturday

Purpose

Amends and extends through fiscal 1980 the authorization for activities of the National Foundation on the Arts and the Humanities; authorizes new categorical grant programs; establishes a Museum Services Institute in the Department of Health, Education, and Welfare (HEW).

Agency Recommendations

Office of Management and Budget	Approval (Signing statement attached)
National Endowment for the Humanities	Approval (Signing statement attached)
National Endowment for the Arts	Approval (Signing statement attached)
Department of Health, Education, and Welfare	Defers to National Foundation on the Arts and Humanities

Discussion

H.R. 12838 extends for four years the appropriations authorization for the National Foundation on the Arts and the Humanities and establishes a Museum Institute and the following new categorical grant programs:

- a museum grant program,
- a photography and film grant program, and

-- "challenge grant" programs for the support of cultural organizations and institutions.

The Administration proposal provided for a three year extension of existing program authorities. H.R. 12838 was passed by a vote of 279-59 in the House and by voice vote in the Senate.

New program authorities. H.R. 12838 establishes two new programs in the Foundation. First, within both the National Endowment for the Arts and the National Endowment for the Humanities, the bill establishes a "challenge grant" program. This effort, already undertaken by the Arts Endowment under existing general authority, is designed to increase public donations to cultural institutions by providing Federal matching funds for operating support. Federal participation is, therefore, contingent upon securing private support. H.R. 12838 provides new specific matching authority with specific authorizations for the program: \$12 million in fiscal year 1977, \$18 million in 1978, and "such sums" in 1979 and 1980 for each Endowment. The Administration opposed the challenge grant program because it would duplicate existing authority and create pressures for additional funding.

In addition, the bill provides for the establishment of an American Bicentennial Photography and Film Project in the Arts Endowment with authorized levels of \$4 million in fiscal year 1977 and \$2 million in 1978.

The bill also contains several amendments requiring increased public representation in the activities of State humanities councils and a greater rotation in membership on the councils.

The Administration opposed the photography and film project proposal. The Humanities Endowment did not favor changing the operations of State humanities councils, but finds the provisions in H.R. 12838 acceptable.

Museum Services Institute. H.R. 12838 establishes within HEW an Institute of Museum Services. The Institute would be authorized to make grants to museums for the stated purpose of accelerating the improvement of museum services to the public. The bill requires that the Institute

Director (Executive Level V) and 15 members of the National Museum Services Board be appointed by the President subject to Senate confirmation. Appropriations are authorized at \$15 million for fiscal year 1977, \$25 million for 1978 and "such sums" for 1979 and 1980. The bill also provides authority to match private donations to be used to further the purposes of the Institute. While not subject to an authorization limit in this bill, the extent of matching would be controlled by appropriations enacted for this purpose.

The Administration strongly opposed the establishment of the Institute on the grounds that Federal support for general operating expenses of museums is inappropriate and more properly the responsibility of State and local government, as well as the private sector.

Other provisions. H.R. 12838 provides, for the first time, for Senate confirmation of members of the National Council on the Arts and Humanities. The Arts Endowment believes that this provision could result in delays in the appointment process or in politicization of the process. The Humanities Endowment has no objection to the provision.

Costs

H.R. 12838 would authorize for all programs, including the Museum Services Institute, except for its open-ended matching authority, \$250 million for fiscal year 1977, \$300 million for 1978, and "such sums" for 1979 and 1980, excluding private donations. The Administration bill proposed authorizations of \$252 million for each of the fiscal years 1977, 1978, and 1979, the same as authorized for 1976.

Your budget request for 1977 was \$185 million for current Foundation programs. The amount appropriated by Congress for 1977 is \$180.5 million. We believe the inclusion of new separate authorities will likely result in appropriation levels in excess of currently budgeted totals.

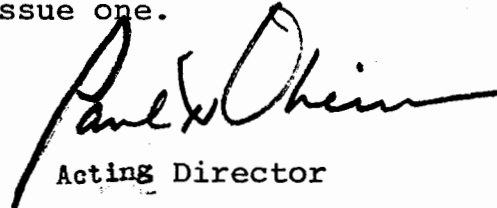
Recommendations

The National Endowment for the Arts and National Endowment for the Humanities both recommend approval and have enclosed separate draft signing statements for your consideration.

HEW strongly objects to the establishment of the Museum Services Institute and has enclosed a draft insert for use in a signing statement expressing serious reservations about this provision.

* * * * *

We believe there are flaws in this legislation, particularly the creation of the Museum Services Institute within HEW and the creation of other categorical, separate authorities. However, we do not think they are sufficiently objectionable to warrant a veto in light of your commitment to the Arts and Humanities. We, therefore, recommend approval and have prepared a draft signing statement, should you decide to issue one.


Acting Director

Enclosures

STATEMENT BY THE PRESIDENT

I am pleased today to sign H.R. 12838 authorizing the National Foundation on the Arts and the Humanities to continue and expand its work through 1980. The Arts, Humanities and Cultural Affairs Act of 1976 reflects the continuing strong bipartisan support of the programs of the National Endowments for the Arts and for the Humanities.

I have supported the Foundation continuously, both as a Congressman and since I became President. The support of the Arts and Humanities provided by the Federal Government has permitted a marked increase in individual participation in, and support of, a wide range of cultural activities.

In striving to make America's third century the century of the individual, the Foundation should play a leadership role in improving the quality of life throughout the nation. I take great pride in signing this legislation in reaffirmation of that strong commitment of my Administration.

THE WHITE HOUSE
WASHINGTON

Doug Smith changes o.k. by
Jim Frey OMB
Sarah Massengale, DC

Judy Johnston 10/6

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10/4/76 - 5:40 pm

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

jk/jml

Date: October 4

Time: 500pm

FOR ACTION: Sarah Massengale
Max Friedersdorf
Bobbie Kilberg
Robert Hartmann

cc (for information):

Jack Marsh
Jim Connor
Ed Schmults

*290
to Pres 9:00
10/5 6Am*

*to DJS
10/5 9:57
6Am*

FROM THE STAFF SECRETARY

DUE: Date: October 5

Time: 500pm

SUBJECT:

H.R. 12838-Arts, Humanities and Cultural Affairs
Act of 1976

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President

ok/jmc

STATEMENT BY THE PRESIDENT

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will
lock-up*

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the National Foundation on the Arts and the Humanities
to continue and expand its work through 1980. The Arts,
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of the National Endowments for the Arts and for the
Humanities.

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throughout the nation. I take great pride in signing
this legislation in reaffirmation of that strong
commitment of my Administration.

ok/jml

PROPOSED INSERT FOR PRESIDENT'S
SIGNING STATEMENT ON H.R. 12838,
RELATING TO THE MUSEUM SERVICES ACT

While I am signing this measure, I would like to make clear my serious reservations about the provisions of this bill which create a new Institute of Museum Services within the Department of Health, Education, and Welfare.

This Institute is another example of the Congress' penchant for creating new organizations in the Federal government in an attempt to solve perceived problems, rather than using the existing structures. This particular creation suffers from the further defect of being almost totally removed from the daily control and direction of the Cabinet officer responsible for administration of the Department of Health, Education, and Welfare.

I would hope that the Congress will reconsider the desirability of this Institute just as soon as possible in the 95th Congress.

Reauthorization of National Foundation on
the Arts and the Humanities

had
will
up

I am pleased today to sign legislation authorizing the National Foundation on the Arts and the Humanities to continue and expand its effective work through 1980. The Arts, Humanities, and Cultural Affairs Act of 1976, H.R. 12838, reflects the continuing strong bipartisan support of the programs of the National Endowments for the Arts and for the Humanities. Both are of increasing importance as we strive to improve the quality of life and to make America's third century the century of the individual.

Although I have some concerns with respect to certain provisions in this legislation, which I hope will be corrected at a later date, I sign this bill with enthusiasm.

10/4/76 - 5:40 pm
n

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON, D.C.

LOG NO.:

Date: October 4

Time: 500pm

FOR ACTION: Sarah Massengale
Max Friedersdorf
Bobbie Kilberg
Robert Hartmann

cc (for information): Jack Marsh
Jim Connor
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: October 5

Time: 500pm

SUBJECT:

H.R. 12838-Arts, Humanities and Cultural Affairs
Act of 1976

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

10/4/76 - Copy sent for researching. my
10/5/76 - Researched copy returned. sp

*OK Statement added
J. Cannon*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President

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ical grant programs:

a museum grant program.

To: Johnston
10-4-76
4:00 p.m.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OCT 2 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 12838 - Arts, Humanities
and Cultural Affairs Act of 1976
Sponsor - Rep. Brademas (D) Indiana

Last Day for Action

October 9, 1976 - Saturday

Purpose

Amends and extends through fiscal 1980 the authorization for activities of the National Foundation on the Arts and the Humanities; authorizes new categorical grant programs; establishes a Museum Services Institute in the Department of Health, Education, and Welfare (HEW).

Agency Recommendations

Office of Management and Budget	Approval (Signing statement attached)
National Endowment for the Humanities	Approval (Signing statement attached)
National Endowment for the Arts	Approval (Signing statement attached)
Department of Health, Education, and Welfare	Defers to National Foundation on the Arts and Humanities

Discussion

H.R. 12838 extends for four years the appropriations authorization for the National Foundation on the Arts and the Humanities and establishes a Museum Institute and the following new categorical grant programs:

- a museum grant program,
- a photography and film grant program, and

ARTS, HUMANITIES, AND CULTURAL AFFAIRS ACT
OF 1976

APRIL 9, 1976.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. PERKINS, from the Committee on Education and Labor,
submitted the following

REPORT

[To accompany H.R. 12838]

The Committee on Education and Labor, to whom was referred the bill (H.R. 12838) to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment strikes out all after the enacting clause and inserts in lieu thereof a substitute text which appears in italic type in the reported bill.

PURPOSE

H.R. 12838, as amended, would:

1. Extend support through 1980 for the Arts and Humanities Endowments at authorizations of \$100 million each for fiscal year 1977, \$113.5 million each for fiscal year 1978 and such sums as Congress finds necessary for fiscal years 1979 and 1980.

2. Establish a new Institute of Museum Services in the Department of Health, Education, and Welfare to provide help to museums for exhibits, educational programs, professional curatorial training, conservation of collections, traveling programs, and operating expenses generally. The Institute would be administered by a Director with the advice of a Board broadly representative of all types of museums including museums of science, history, technology and art. The bill authorizes \$15 and \$25 million, respectively, for the first two years of the program 1977 and 1978 and such sums as Congress may determine for 1979 and 1980.

3. Authorize the National Arts Endowment and the National Humanities Endowment to make "challenge grants" of one Federal dollar to match \$3 in private funds to cultural institutions in great need. \$15

million is authorized for the challenge grant program in fiscal year 1977, \$20 million for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980.

4. Allow the funding of any state humanities council, whether created as a state agency or a voluntary organization, and require that at least \$200,000 per state or 20 percent of all Humanities Endowment monies go to support state humanities programs.

5. Call for the appointment of members of the National Council on Art and the National Council on Humanities to be confirmed with the advice and consent of the Senate.

In addition, there are a number of conforming and technical amendments which would equate the functions of the two Endowments on a more equal basis.

LEGISLATIVE CONSIDERATION

The Subcommittee on Select Education of the House Committee on Education and Labor held joint hearings on H.R. 7216, S. 1800 and related bills with the Special Subcommittee on Arts and Humanities of the Senate Committee of Labor and Public Welfare of the Senate, on November 12, 13 and 14, 1975, in Washington, D.C. In addition, the House Subcommittee on Select Education held hearings on September 24, 25, and 26, and October 31, 1975, in Washington, D.C.; September 27, 1975, in Fort Worth, Texas; November 8, 1975, in Brooklyn, New York; and November 10, 1975, in New York, New York.

The Subcommittee on Select Education thereafter met in mark-up session on the bill H.R. 7216 on March 23, 1976, with the bill being ordered reported with an amendment to the full committee by a unanimous vote of 14-0. A clean bill, H.R. 12838, was thereafter introduced reflecting the Subcommittee action.

The Full Committee on Education and Labor met on April 6, 1976, and ordered reported to the House by a vote of 29-0, the bill H.R. 12838 as amended.

BACKGROUND

The National Foundation on the Arts and Humanities was established in 1965 by Public Law 89-209. The original Act was thereafter amended in 1967 by Public Law 90-348; in 1970 by Public Law 91-346; and in 1973 by Public Law 93-133. The 1965 legislation created the National Foundation on the Arts and Humanities and its two cooperating entities, the National Endowment for the Arts and the National Endowment for the Humanities. The Endowments have Presidentially appointed Chairmen and Councils to oversee the awarding of grants, some of them matching, which the two Endowments are authorized to make. The National Endowment for the Arts and the National Endowment for the Humanities have joint administrative staff who report to both Chairmen.

NATIONAL ENDOWMENT FOR THE ARTS, 1974-76

The Committee applauds the Arts Endowment's ongoing endeavor to bring quality arts to an ever increasing number of Americans—regardless of their geographical location, or economic circumstances.

Regional efforts

To date there are seven regional coordinators assisting many states in undertaking projects on a intercooperative basis through such regional organizations as Western State Arts Foundation, the Upper Mid-West Regional Arts Council, the Mid-America Arts Alliance, and the Southern Federation of State Arts Agencies. Funding for these organizations has more than doubled, from \$806,617 in fiscal year 1974 to \$1,374,000 in fiscal year 1976.

Between February 17 and March 2, 1976, nine regional meetings were held in five different locations to discuss and review basic state arts agency grants; the addition of professional staff to state and regional arts agencies; and increases in money to the Associated Councils on the Arts for seminars, and to the National Association of State Arts Agencies for a national office with a full-time staff.

Among other encouraging activities is an Expansion Arts Contract for Comprehensive Technical Assistance in the amount of \$360,000 to strengthen projects in the areas of economic and artistic need, and to develop 29 regional media centers.

The Committee commends the Endowment's efforts to develop the Museum Exhibition Cooperation program, which provides for loan of, and touring arrangements for collections. It is also encouraging to see that with the increase in funds from \$820,000 in fiscal year 1974 to \$1,600,000 in fiscal year 1976, the number of professional dance companies outside of New York City eligible for participation in the Dance Touring Program have risen from 29 to 57. In a similar effort to make quality drama widely available, the Endowment's Theatre Panel has reached unanimous agreement on the need to develop a touring program.

Public media

The Committee notes with approval that since fiscal year 1974 the Arts Endowment has funded seven series for public television broadcasting beginning this year: Dance in America; Drama by American Authors; Live Performances at Lincoln Center; Women Artists (pending National Council approval); and three American Film Series on Immigrant Film Directors, Blacks in American Film and American Indians in Film.

Finally, noting the increase in public television in American households (from 1974's 42 percent to 1976's 84 percent), the Committee is pleased to report the estimates for audience of dance and drama television series are excellent: drama (21 programs), 50 million viewers, and dance (first series on the Joffrey Company), 3.5 million viewers.

State arts agencies

The testimony received by the Committee highlighted the encouraging growth in the support, scope and quality of State arts agencies created under section 5 of the Act.

The increase in the minimum grant to \$200,000 for each State has had beneficial results. State art agencies have been leaders in providing grants to aid institutions with their operating expenses and developing programming to meet local and community needs.

The Committee is pleased to hear of such innovative State programs as the Contemporary Art Bank in Alaska; the Governor's Challenge

Grant Program in Kentucky and the municipal and county challenge grant program in North Carolina.

Advisory panels

The Committee is aware that professional advisory panels now play a significant role in the Endowment's programming decisions. The panels, which meet several times annually, provide an integral service to the Arts Endowment by reviewing and making recommendations on grant applications before they are considered by the Chairman and the National Council on the Arts. In addition, the panels make recommendations with regard to policies concerning their own program areas for consideration by the National Council on the Arts.

Because of this significant role played by the advisory panels, the Committee urges that there be broad representations from the particular art form for which the panel functions. In addition, the Committee urges frequent rotation of the panel members in order to foster a greater involvement of the public in the decision-making process of the Endowment.

AMERICAN FILM INSTITUTE (AFI)

The Committee is pleased to acknowledge the American Film Institute's accomplishments and growth over the last three years; in particular, the success of the AFI in developing a broader base of support. The AFI's private fundraising doubled between 1973 and 1975, and self-generated revenue for the Institute grew during the period 1973-1976 from \$922,600 to \$2,370,375. During this same period, the Committee notes that grants from the National Endowment for the Arts (NEA) increased from \$1,100,000 to only \$1,290,000. The Committee commends the AFI for its highly successful efforts in securing private matching funds, achieving in recent years better than a dollar for dollar match.

Analysis of growth of American Film Institute self-generated revenue

AFI self-generated revenue:

Fiscal year:	
1973 -----	\$922, 600
1974 -----	1, 327, 400
1975 -----	1, 861, 360
1976 -----	¹ 2, 370, 375

NEA general grant:

Fiscal year:	
1973 -----	1, 100, 000
1974 -----	1, 100, 000
1975 -----	1, 100, 000
1976 -----	1, 290, 000

¹ Estimated.

In testimony before the Committee, George Stevens, Jr., Director of the American Film Institute, noted that the recent programs and activities of the AFI, include:

- the preservation of more than 12,500 motion pictures through its collection at the Library of Congress, work which will ensure the safety of a large portion of America's film heritage;
- the compilation of the AFI catalogue, a partially completed,

projected 19-volume series which will document every feature film produced in the United States since 1893;

training and education in filmmaking at the Institute's Center for advanced Film Studies in Beverly Hills, California, in which more than 1000 young professionals participated in the past year;

special internships for aspiring film directors to work with established professionals;

a pilot training program designed to aid women already working in motion pictures to gain the experience needed to achieve positions as film directors;

the Independent Filmmaker Grants program which has provided support to over 150 filmmakers since 1968;

the publication of the monthly "American Film: Journal of the Film and Television Art", and a biennial "Guide to College Courses in Film and Television";

the operation of the AFI Theatre in the John F. Kennedy Center for the Performing Arts as a gallery of film showing over 600 motion pictures a year, and offering an outreach program of assistance to regional theatres in exhibiting special film programs.

The Committee reviewed the history of the American Film Institute which was created by the National Endowment for the Arts in 1967 to fill a void in the motion picture and television arts. The AFI is the only agency created by the Arts Endowment and, therefore, particular attention has been given by the Committee to the AFI's organizational status and funding. The Committee is aware that the AFI's existence depends on combined governmental and private funding. The growth of non-government funding in which the AFI has shown substantial progress, is necessary to fulfill the original concept of a national film institute supported by a combination of Arts Endowment and private monies. The Committee is pleased with the constructive steps taken by NEA and AFI toward achieving stable government and private support and encourages NEA to create a multi-year funding formula which will provide AFI the stability the Institute needs to attract private funding and appropriate growth.

NATIONAL ENDOWMENT FOR THE ARTS,
Washington, D.C., February 27, 1976.

HON. JOHN BRADEMAS,
Chairman, Subcommittee on Select Education, House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This letter conveys our recognition of the significant progress that the American Film Institute has made in advancing the art of film, and informs you of our current plans, which we are confident will result in an effective relationship between our agencies to advance mutual goals.

Both the Institute and the Endowment are pleased with the results of the Institute's growth over the last eight years and with the Endowment's contributions to its purposes. We both believe that the Institute has an important role to play in encouraging American film and television. At the same time we both recognize the magnitude of the job to be done and the many difficulties involved. We realize the benefit of our working closely together and also the great importance of our working cooperatively with others.

With the support of Senator Pell and Congressman Brademas and their respective committees, we feel that the National Council on the Arts and the American Film Institute's Board of Trustees are assisting us to move in the right direction. We, of course, need also to work in concert with the Appropriations committees in both houses, and believe we are doing so.

The issues faced by the Endowment and the Institute are not simple, but we will try to state them simply.

The American Film Institute has a leadership and catalytic role to play in the development of film and television in this country. The Endowment recognizes this role and is committed to work with the Institute in fulfilling it.

To achieve its purposes, the Institute requires a long-range plan of stable funding. This will provide it with the opportunity to develop long-range programs and services. The Institute needs a continuity and dependability of support, both government and private. The Institute has done remarkably well in developing a broader base of support in recent years, and the National Council on the Arts is both pleased and anxious to encourage this progress.

The Endowment and the Institute need to improve and strengthen their joint planning capacities and to develop a more efficient and effective review process for the Institute's grant and contracts.

To address these issues, we have, on the recommendation of the National Council on the Arts and after extensive consultation among our respective staffs and with the Institute's Board of Trustees, developed the following procedures:

(1) An advance funding plan whereby the Institute will develop a five-year planning budget and program;

(2) An advance commitment plan whereby the Endowment will act on the Institute's annual budget application nine months prior to the beginning of the Institute's fiscal year;

(3) As part of a restructuring of the Endowment's Public Media advisory system, a General Programs subpanel is being established, composed of leading professionals in the film and television fields. This subpanel will review all the Institute's applications for new and expanded programs and contracts annually, and will review ongoing Institute programs in three-year cycles;

(4) A project manager has been appointed to administer the Endowment's responsibilities with the Institute and to coordinate the work of the subpanel; and

(5) In addition, the Endowment and the Institute are exploring other procedural changes, including alternative ways to incorporate multi-year grants and contracts in the application and review process.

We both believe that when the procedures already agreed upon and those now being considered are fully implemented, the issues mentioned above will to a great measure have been successfully addressed.

Sincerely yours,

NANCY HANKS,
Chairman, National Endowment for the Arts.

GEORGE STEVENS, JR.,
Director, American Film Institute.

Enclosure.

Memorandum on the Status of the Relationship

In July of 1975, the staffs of the National Endowment for the Arts and the American Film Institute developed the following list of major areas of mutual concern: (1) Stability of support; (2) Institutional standing; (3) Ability to plan; (4) Level of support (rate of increase); (5) Fairness of review; (6) Clarification of the purpose of the review; (7) Clarification of information required to perform review; (8) Reduction of the administrative burden on both the AFI and the Endowment caused by the review; and (9) Clarification of the programmatic and administrative roles of AFI and Endowment in carrying out the contracts and grants.

After considerable discussion at its July 25-27, 1975 meeting, the National Council on the Arts recommended several ways in which the Endowment and the AFI can work effectively toward the resolution of these concerns. The proposals of the Council were explored in depth with the staff of the Institute; these discussions have resulted in a number of specific steps toward major procedural changes. All of these changes are in accord with the normal Endowment practices and the operational responsibilities and schedules of the AFI. These steps are outlined below:

1. *Advance Funding.*—As a first step toward moving into an advance planning situation, the Council agreed that the Arts Endowment should utilize the transition period appropriation to fund the 1977 budget. Hereafter, the staff and panel review process for the AFI application will begin in October. The following September the Council is to review the application for the year beginning the next July. Under this schedule planning for fiscal 1978 begins now and the Council plans to review that application in September 1976. This decision was made to increase the stability of funding and to facilitate AFI's capacity to plan ahead. This will also help the Endowment incorporate the AFI's need into its budget planning which takes place in the fall for the fiscal year beginning the following July.

Action Taken.—The application for the AFI's 1977 fiscal year was taken to the September Council meeting and the Council recommended support of the grant request at \$1,400,000, recognizing that the funds would be provided from the Endowment "Transition Quarter" monies which would be available July 1, 1976. The Council also expressed a willingness to consider fiscal 1977 request for support of "new and augmented" programs at a later date.

Although the Endowment has informed the AFI of this recommendation, the final action on this grant and the Council's consideration of new and expanded programs for 1977 have been postponed until the implications of the 1976 Appropriations Conference Report can be resolved. The application for AFI's 1978 fiscal year is due to be submitted to the Endowment this spring and will be reviewed by the Council in September 1976.

2. *Panel Structure.*—The Public Media Program's panel structure has been completely reorganized to broaden its advisory capacity for the varied aspects of the Program.

Four subpanels are being set up with strong expertise in various areas. One subpanel will handle applications submitted under the Programming in the Arts category of Public Media; another sub-

panel will handle Media Studies; another, Regional Development; and another, General Programs. This latter subpanel will be composed of individuals of stature from the film and media community and will review all AFI applications and make recommendations to the Council.

The General Programs Panel is to handle all applications that do not fall into specific program guidelines. However, whenever applications submitted under the General Programs category are more specifically within the realm of expertise of one of the other subpanels, the Public Media Staff will distribute the applications for review accordingly.

In addition, a planning panel will be set up composed of representatives of each of the four subpanels as well as other top experts in the field. The reorganization should improve the quality of advice that the Public Media Program receives on all of its programs' activities. It will also allow for greater specialization and thereby increase each subpanel's familiarity with all the grants being reviewed. The changes should reduce the burden of review on all the panelists and enable them to do a better job.

Action Taken.—The Endowment is currently interviewing and selecting individuals for all these new panels. The list of potential panel members for the General Programs Panel was developed with the help of Council Member Robert Wise. Interviews with these individuals have taken place and the first panel meeting is planned for late March.

3. *Review Procedures.*—The panel's review of AFI will take place in the context of 5-year plans updated annually, and will separate the ongoing activities from the new and expanded programs. The new and expanded programs will be renewed annually by the panels. The ongoing activities will be reviewed by the panels in 3-year cycles, using consultants as necessary.

These procedures should: a) improve the stability and continuity of support and review; b) increase the AFI's capacity to plan; c) provide a thorough review; d) lead to a more clearly defined set of criteria under which the AFI is being reviewed; and e) improve the coordination of the activities of the AFI and the activities of other grantees of the Endowment.

The cyclical review pattern should also lead to a lessening of the administrative burden on both the AFI and the Endowment and provide a multi-year approach that facilitates continuity.

4. *Project Manager.*—Critical to the implementation of the new review procedures is the hiring of an individual who can work very closely with the AFI in the development and review of the annual grant and contract applications. This individual will work in the Public Media Program and will have full responsibilities for all activities relating to the AFI grants and contracts. This individual will be able to work with the AFI to clearly define the information that the panel needs to review the applications, will develop procedures for a more efficient and effective processing of grants thereby reducing the administrative problems, will keep the Chairman informed on activities related to the AFI, and will be able to responsibly resolve questions concerning the AFI and the Endowment in the administration of the contracts and grants.

Action Taken.—On January 29, 1976, Mr. James Backas, former executive director of the Maryland State Arts Council, began a contract to carry out the functions described above. He has already gone to California to review the operations of AFI's Center for Advanced Film Studies and to interview potential members of the General Programs Panel.

The American Film Institute, the Arts Endowment, and the National Council on the Arts realize that the plans developed thus far to address areas of mutual concern must be implemented. We are currently exploring alternative approaches to multi-year funding, and realize the need to continue exploring the desirability of still further procedural changes to enhance an effective working relationship. However, we are all pleased with the initiatives to date.

NANCY HANKS,
Chairman, National Endowment for the Arts.
GEORGE STEVENS, JR.,
Director, American Film Institute.

NATIONAL ENDOWMENT FOR THE HUMANITIES, 1974-76

During the past three years the National Endowment for the Humanities (NEH) has acted to: direct the attention of persons and institutions involved in the humanities to questions of pressing social concern; expand traditional concepts to increase participation in the humanities by all sectors of the population; and facilitate the use of humanistic knowledge so that American scholarships may secure the foundation of public and educational programs.

The Committee is pleased to acknowledge a number of accomplishments by the Humanities Endowment.

The NEH State-based Programs have become operational in all 50 states (and by the end of this fiscal year will include the 5 territories). This year, alone, these programs will involve thousands of local and statewide projects reaching over 31 million Americans, directly and through the media, and focusing public attention on broad problems such as economic growth, land use, and citizen responsibility.

As a major contribution to a serious observance of the Bicentennial, the NEH-developed American Issues Forum program has been adopted by thousands of civic, educational, media, religious, and professional and labor groups across the country. The majority of these efforts are being carried out without Federal support, providing an excellent example of Federal leadership and seed money.

NEH has equalled the British Broadcasting Corporation's challenge of quality educational and cultural television. The Adams Chronicles, the largest historical series ever produced by American television (and the largest series of any kind undertaken by public television), supported from its beginning by NEH, was broadcast in early 1976 to millions, receiving critical and public acclaim, and incorporated into the curriculum of hundreds of schools and colleges around the country.

Outstanding museum exhibitions (like the Chinese Archeological, Scythian Gold, and French Impressionists exhibitions) have been brought from abroad to be viewed by millions of Americans while scores of American museums have received NEH aid in mounting ex-

hibitions and conducting educational programs on national and regional culture.

The Endowment has given special attention to non-traditional study of the humanities, like the "Courses by Newspaper" project, which offers newspaper readers across the Nation an opportunity to take actual college-level courses. Just initiated at the time of the last reauthorization, the program continues to flourish and is now carried free in over 430 newspapers, reaching nearly one out of every four Americans.

NEH research and fellowship awards, which have offered continuing support for the discovery of basic humanistic knowledge, have increasingly aided work on problems of national concern, like the ethical questions relating to biological and medical advances, the background of our urban and racial problems, the questions relating to our environment and the quality of American life.

MAJOR PROVISIONS OF H.R. 12838 AS AMENDED

STATE HUMANITIES COUNCILS

H.R. 12838, as amended, authorizes the National Endowment on the Humanities to provide grants to state humanities councils, whether created as state agencies or as voluntary organizations. This assistance is intended to help state humanities councils develop adequate programs within their various jurisdictions. The assurance of a minimum of Federal funds available to states for these purposes should provide the state programs with a greater degree of stability. Each state would be entitled to \$200,000 or 20 percent of any monies appropriated for the Humanities Endowment. H.R. 12838, as amended also provides that the state humanities councils should rotate their memberships in order to assure a broad public representation and to encourage coordination of the program's activities with responsible officials and other appropriate agencies in each state.

NATIONAL COUNCIL ON THE ARTS AND NATIONAL COUNCIL ON THE HUMANITIES

H.R. 12838 as amended provides that the members of the National Councils on the Arts and the Humanities shall be appointed by the President, with the advice and consent of the Senate. The Committee wishes to stress that in order for the Council to be truly representative of the arts and the humanities, it should be aware of all relevant viewpoints. The Committee, therefore, strongly urges that any imbalances presently existing on the Councils be corrected when nominations are next considered for the National Council on the Arts and the National Council on the Humanities.

MUSEUM SERVICES

Purpose

The Museums Services Act, Title II of H.R. 12838 as amended, will provide funds to museums of every kind to support both the programs and operating expenses of these institutions. Monies will be available for a variety of activities, including the improvement of exhibits, administrative costs, staff training, education programs, con-

servation and the development of special programs. The measure is intended to assist museums in their educational role, to encourage the modernization of their facilities and procedures and to ease the general financial burdens experienced by museums.

The legislation establishes a new Institute of Museum Services in the Department of Health, Education, and Welfare, to be administered by a Director with the advice of a Board. The members of the Board must be broadly representative of various museums, including those devoted to science, history, technology and art as well as zoos and botanical gardens. The fifteen-member Board will also include representatives of the curatorial, educational and cultural resources of the nation and the general public. The Director, Deputy Director and the Board will be appointed by the President with the advice and consent of the Senate.

H.R. 12838 as amended provides authorizations of \$15 million and \$25 million for fiscal years 1977 and 1978, respectively, and such sums as Congress may determine for 1979 and 1980 to carry out this new program.

Background

Over the past four years, the Committee has been studying the changing role of museums in American life and the financial situation of museums in this country. In 1972, 1974 and 1975 the Committee conducted extensive hearings on the subject of museum services in Washington, D.C.; Chicago, Ill.; Los Angeles, California; San Francisco, Calif.; Boston, Mass.; Fort Worth, Texas; Brooklyn, N.Y. and New York, N.Y.

Role of museums

In its examination of the role of museums in our society, the Committee found that the pressures, both of an increasing population and the rising interest of Americans of all kinds in seeing works of art, historic objects and scientific collections in American museums, have pushed museums to their limits in meeting the rising costs of their services. Museums have moved into communities in new ways and are building new audiences. For example, "Museums U.S.A.", a survey conducted by the National Endowment for the Arts in fiscal years 1971 and 1972, stated that 31 per cent of all museums had developed programs to attract senior citizens, and 27 per cent had made efforts to attract economically disadvantaged groups.

In examining the changing role of museums, the Committee found that museums are no longer regarded simply as the depositories of the past but as growing centers of learning making positive contributions to the communities of which they are a part. A 1974 Lou Harris poll indicated that 90 per cent of the public agrees that museums are an important resource for the whole community. A majority of the public, in the same poll, chose museums over dance, plays and opera as those activities which are important for young people to attend.

Financial strains on museums

The Committee observes that the increased requests for services, especially educational services, have been creating financial strains on our museums and that increased costs for training staff, guards, guides,

acquisitions, maintenance, exhibits and buildings have stretched the financial resources of many institutions.

A report made on September 27, 1975, by the Council on Foundations to the National Council on the Arts called attention to the severe financial strains confronting the museums sampled in a survey on the relative impact of inflation on the arts:

For some museums the future will be truly problematic if municipal support continues to be cut and endowment income fails. (Even now the growth rate of this income seldom equals that of inflation.) The situation as a whole must still be judged "stable," but it is a stability fraught with unstable variables, any one of which could seriously damage or compromise the integrity of the museums in the sample and their counterparts elsewhere.

The rise in expenditures of museums has necessitated cutbacks in services, staff or facilities in over one-third of the nation's museums. Sixty-six per cent of all museum directors questioned in the "Museums U.S.A." survey agreed that their current operating budgets did not permit full utilization of facilities, exhibits, collections, staff and other museum resources.

Federal role in museum support

Witnesses testifying at hearings before the Committee have stated that the only possible source for additional assistance for the operating needs of museums is the Federal government.

Based on the Committee's extensive study of this problem, the Committee recommends that the Federal government should provide significant support to enable all types of museums to meet their responsibilities. In fact, the Federal government currently contributes only a small portion to the total support of the operating costs of American museums. The study, "Museums U.S.A.," noted that among the sources of income to museums, the Federal government provided 12 percent of the total income for the 1,821 museums, but that 78 percent of that Federal money went to Federal museums.

The NEA survey also showed that more Americans visit science museums and history museums than museums devoted to art. Of the total number of visits made to museums, the study recorded that 38 percent were to science museums, 24 percent were to museums of history and 14 percent to art museums.

The Committee applauds the efforts of both Endowments over the past few years in assisting museums with grants for "special projects" such as exhibitions, training and fellowships for museum professionals, renovation of buildings for improved security and climate control, purchase of objects and artifacts and conservation of collections and with the passage of H.R. 12838 as amended, expects that there will be no lessening of the financial assistance and effort of the Endowments to extend this important support to museums. Most of their concern has been for museums of history and art and are limited to "special projects." The proposal contained in H.R. 12838 as amended would support a broader purpose. Assistance under the Museums Services Act would concentrate on operating programs as opposed to "special projects." In addition, support would be available to

all types of museums including those of technology, science, art and history, and to zoos and botanical gardens as well.

CHALLENGE GRANT PROGRAM

H.R. 12838 as amended authorizes the Chairman of the National Endowment for the Arts and the National Endowment for the Humanities to establish a program of challenge grants to cultural institutions in great need.

The grants, which may be in the form of contracts and grants-in-aid to public agencies and private non-profit organizations, are intended for the following purposes: (1) To enable cultural institutions to raise their levels of financial support; (2) To provide for the improvement of the administration and management of cultural institutions; (3) To aid cultural organizations in increasing audience participation in, and appreciation of, their various programs; (4) To stimulate greater cooperation among cultural organizations; and (5) To foster greater citizen involvement in planning the cultural development of a community.

The program would provide that every Federal dollar expended under the challenge grant program must be matched by three non-Federal dollars.

The Committee has also made provision for the transfer between Endowments of funds for the challenge grant program not totally expended by one or the other. Funds available to either of the two Endowments under this section may be transferred to the other with the mutual agreement of both Endowments.

The Committee by inclusion of this new provision recognizes the necessity of broadening the range and enlarging the number of sources of financial support for cultural institutions of quality. In addition, it is important to increase the levels of support, thus creating a more effective private-public sector partnership in cultural activities.

The Endowments' expenditures in their first decade have been a significant catalyst to generating new and increased funding as well as maintaining ongoing support from other public and private sources. Indeed, the ability of cultural organizations to generate matching funds for Endowment grants has been a welcome sign of those organizations' effectiveness and the public's growing appreciation of the importance of the arts and humanities. Rather than dominating, Federal funds have been a way to help insure the pluralism of support essential to the vitality of cultural pursuits. This pluralism grows ever more important as the number of cultural institutions increases and participation in their activities extends more widely among our citizens.

In this regard, the Committee has been particularly interested in the Arts Endowment's efforts over the past few years with the use of challenge grants to assist cultural organizations in raising new or increased funds. To a lesser extent, this is also true of the Humanities Endowment.

The new Challenge Grant program will enable the Arts and Humanities Endowments to develop a more flexible program for quality cultural and humanities institutions. While, the principal objective of this new authority will be to raise levels of continuing financial support,

the Committee also recommends that grants and contracts be used to encourage recipients to improve long-range programming, audience and financial development planning; and to work together more effectively at the community level in bringing their services to a wider audience. \$15 and \$20 million, respectively, are authorized for fiscal years 1977 and 1978 and such sums as necessary for fiscal year 1979 and 1980.

COST ESTIMATE

In compliance with clause 7 of the Rule XIII of the Rules of the House, the Committee estimates the following costs will be incurred in carrying out the provisions of H.R. 12838 as amended:

H.R. 12838 as amended (Public Law)	1976		1977 request	H.R. 12838, as amended			
	Authori- zation	Appro- priation		1977	1978	1979	1980
Title I:							
Endowment for arts.....	113.5	74.5	87.0	100.0	113.5	(1)	(1)
Endowment for humanities.....	113.5	72.0	87.0	100.0	113.5	(1)	(1)
Matching grants.....	25.0	15.0	15.0	20.0	25.0	(1)	(1)
Title II: Institute of Museum services.....				15.0	25.0	(1)	(1)
Title III: Challenge grants.....				15.0	20.0	(1)	(1)
Totals.....	252.0	161.5	189.0	250.0	297.0	(1)	(1)

¹ Such sums as are necessary.

Note.—With regard to the funding of title I, II, and III, such sums as are necessary are authorized for fiscal years 1979 and 1980. It would be the committee's expectation that moneys available in these 2 fiscal years would be no less than the amount appropriated for fiscal year 1978.

BUDGET STATEMENT

In accordance with Rule XI of the Rules of the House of Representatives the Congressional Budget Office has submitted the following report:

CONGRESS OF THE UNITED STATES,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., April 6, 1976.

HON. JOHN BRADEMAs,
Chairman, Subcommittee on Select Education, Committee on Education and Labor, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 12838, a bill to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

Attachment.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill Number: H.R. 12838.
2. Bill Title: To amend and extend the National Foundation on

the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes.

3. Purpose of Bill: The purpose of this bill is to: (1) authorize the National Council on the Humanities to establish and carry out programs of grants-in-aid in each of the several States in order to develop programs in the humanities in such a manner as will furnish adequate programs in the humanities in each of the several States; (2) encourage and assist museums in their educational role, in conjunction with the formal system of education and with programs of non-formal education for all age groups, as well as to assist museums in modernizing their methods and facilities; (3) establish a challenge grant program with public agencies and private nonprofit organizations. This bill is an authorization and does not provide budget authority. Funding for the National Foundation on the Arts and Humanities would be subject to subsequent appropriations action.

4. Cost Estimate: (Dollars in millions).

	Fiscal year—			
	1977	1978	1979	1980
Authorization amounts:				
Title I.....	220	252	(1)	(1)
Title II.....	15	25	(1)	(1)
Title III.....	15	20	(1)	(1)
Total.....	250	297	(1)	(1)

¹ Such sums as may be necessary.

5. Basis for estimate: This estimate is based on the authorization levels stated in H.R. 12838.

6. Estimate comparison: Not Applicable.

7. Previous CBO estimate: Not Applicable.

8. Estimate prepared by: Robert F. Black (225-4972).

9. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

OVERSIGHT STATEMENT

No summary of oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of Rule X of the Rules of the House of Representatives was available to the Committee with reference to the subject matter specifically addressed by H.R. 12838, as amended.

No specific oversight activities, other than the hearings accompanying the Committee's consideration of H.R. 12838, as amended, were made by the Committee, within the definition of Rule XI of the House.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4), Rule XI of the Rules of the House of Representatives, the Committee estimates that enactment of H.R. 12838, as amended, will have little inflationary impact on prices and cost in the operation of the national economy. H.R. 12838 is es-

essentially a continuation of an ongoing program with modest expansion in several areas. It is the judgment of the Committee that the inflationary impact of this legislation as a component of the total Federal budget is negligible. In terms of the estimated total budget for the Federal Government, the new authorization for fiscal year 1977 would amount to .0006 percent of the budget. In terms of the gross national product, the new authorization for fiscal year 1977 would amount to .00013 percent of the GNP.

SECTION-BY-SECTION EXPLANATION OF THE BILL

SHORT TITLE

The first section of the bill provides that the bill may be cited as the "Arts, Humanities, and Cultural Affairs Act of 1976".

TITLE I—ARTS AND HUMANITIES

STATE HUMANITIES COUNCILS

Section 101(a) amends section 7 of the National Foundation on the Arts and Humanities Act of 1965 (hereinafter in this explanation referred to as the "Act") by adding a new subsection (f).

Subsection (f) (1) authorizes the Chairman of the National Endowment for the Humanities (hereinafter in this explanation referred to as the "Chairman"), with the advice of the National Council on the Humanities, establish grant-in-aid programs in the several States in order to support not more than 50 percent of the cost of existing activities meeting the standards established by section 7(c) of the Act. Such grant-in-aid programs also may assist in the development of programs in the humanities in a manner which furnishes adequate humanities programs in each of the several States.

Subsection (f) (2) provides that any person or entity desiring to receive assistance in any fiscal year shall submit an application to the Chairman. The application must be accompanied by a plan which (1) provides that funds paid to the grant recipient will be used exclusively for programs which carry out the objectives of section 7(c) of the Act; (2) establishes a membership policy designed to assure broad public representation regarding programs administered by the grant recipient; (3) provides a nomination process which assures an opportunity for nomination to membership from various groups within the State involved; (4) provides for the rotation of the membership and officers of any executive body of the grant recipient; (5) establishes reporting procedures which inform the chief executive officer of the State involved, and other appropriate officers and agencies, regarding the activities of the grant recipient; (6) establishes procedures assuring public access to information relating to the activities of the grant recipient; (7) provides that the grant recipient will transmit reports to the Chairman; and (8) provides that 2 members of the executive body of the grant recipient shall be appointed by an appropriate officer or agency of the State.

Subsection (f) (3) provides that each grant recipient which has a plan approved by the Chairman shall be allotted at least \$200,000 out

of sums available to carry out subsection (f) in any fiscal year. An equal allocation among grant recipients must be made in any case in which insufficient sums are appropriated.

In any case in which sums available to carry out subsection (f) exceed the amount necessary to make allotments of \$200,000 to grant recipients (1) the amount of the excess which does not exceed 25 percent of the sums available to carry out subsection (f) for the fiscal year involved are made available to the Chairman for making grants under subsection (f) to persons and entities applying for grants; and (2) any remaining amount must be allotted among grant recipients which have plans approved by the Chairman in equal amounts, except that no grant recipient may receive less than \$200,000.

Subsection (f) (4) provides that any part of an allotment made under subsection (f) (3) for any fiscal year which exceed \$125,000, but which does not exceed 20 percent of the allotment, is available (at the discretion of the Chairman) to pay up to 100 percent of the cost of programs under subsection (f). This provision applies, however, only if the programs involved otherwise would not be available to residents of the State involved.

Subsection (f) (4) also provides that funds made available under subsection (f) may not be used to supplant non-Federal funds.

Subsection (f) (5) provides that any amounts available under subsection (f) (3) for a fiscal year which are not granted to any person or entity during the fiscal year shall be available to the National Endowment for the Humanities for the purpose of carrying out section 7(c) of the Act.

Subsection (f) (6) provides that whenever the Chairman, after reasonable notice and opportunity for hearing, finds that—

(1) a grant recipient is not complying substantially with the provisions of subsection (f);

(2) a grant recipient is not complying substantially with the terms and conditions of its plan; or

(3) any funds granted to any person or entity under subsection (f) have been diverted from the purposes for which such funds were allotted or paid;

the Chairman must notify the Secretary of the Treasury and the grant recipient involved that no further grants will be made under subsection (f) to the grant recipient until there is no longer a default or failure to comply or until the diversion of funds has been corrected. If it is impossible to achieve such compliance or correction, the Chairman is required to bar any further grants until the grant recipient repays or arranges for the repayment of any Federal funds which have been improperly diverted or expended.

Subsection (f) (7) prohibits the Chairman from making grants to more than one person or entity in any State.

Section 101(b) provides that the amendment made by section 101 (a) is effective with respect to fiscal year 1977 and succeeding fiscal years.

SCOPE OF PROGRAMS CARRIED OUT BY CHAIRMAN OF NATIONAL ENDOWMENT FOR THE ARTS

Section 102 amends section 5(c) of the Act to eliminate the restriction that projects and productions supported by the Chairman of the

National Endowment for the Arts must be located within the United States.

ALLOTMENTS FOR PROJECTS AND PRODUCTIONS RELATING TO THE ARTS

Section 103 amends section 5(g)(4)(A) of the Act to provide that the amount of each allotment to a State for any fiscal year shall be available to each State which has a plan approved by the Chairman of the National Endowment for the Arts in effect on the first day of the fiscal year involved to pay not more than 50 percent of the total cost of any project or production described in section 5(g)(1) of the Act.

APPOINTMENT OF MEMBERS OF NATIONAL COUNCIL ON ARTS AND NATIONAL COUNCIL ON HUMANITIES

Section 104(a) amends section 6(b) of the Act to provide that the appointment of members to the National Council on the Arts made by the President shall be made by and with the advice and consent of the Senate. Section 104(b) makes an identical amendment to section 8(b) of the Act regarding the appointment of members to the National Council on the Humanities.

PAYMENT OF PERFORMERS AND SUPPORTING PERSONNEL

Section 105 amends section 7 of the Act, as amended by section 101(a) of the bill, by adding a new subsection (g). Subsection (g) provides that a group, individual, State, or State agency may not receive grants under section 7 unless such group, individual, State, or State agency provides assurances to the Secretary of Labor that (1) performers and professional personnel employed on the projects or productions involved will be paid not less than the prevailing minimum compensation as determined by such Secretary; and (2) working conditions will be sanitary and will not be hazardous or dangerous to the health and safety of the employees.

Compliance with the safety and sanitary laws of the State involved is considered prima facie evidence of compliance with subsection (g). The Secretary of Labor is given authority to prescribe such standards, regulations, and procedures as he deems necessary or appropriate to carry out subsection (g).

AUTHORIZATION OF APPROPRIATIONS

Section 106(a) amends section 11(a)(1)(A) of the Act to authorize the following amounts in order to carry out section 5 of the Act: \$100,000,000 for fiscal year 1977; \$113,500,000 for fiscal year 1978; and such sums as may be necessary for fiscal years 1979 and 1980. Not less than 20 percent of any such sums which are appropriated in any fiscal year shall be available for carrying out section 5(g) of the Act.

Subsection (a) also amends section 11(a)(1)(B) of the Act to authorize the following amounts to carry out section 7(c) of the Act: \$100,000,000 for fiscal year 1977; \$113,500,000 for fiscal year 1978; and such sums as may be necessary for fiscal years 1979 and 1980. Not less than 20 percent of such sums which are appropriated in any fiscal year must be available for carrying out section 7(f) of the Act.

Subsection (a) also amends section 11(a)(2) to establish the following limitations on appropriations which may be made based on section 10(a)(2) of the Act: \$20,000,000 for fiscal year 1977; \$25,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal years 1979 and 1980.

Section 106(b) provides that the amendments made by section 106(a) shall be effective with respect to fiscal year 1977 and succeeding fiscal years.

TITLE II—MUSEUM SERVICES

SHORT TITLE

Section 201 of the bill provides that title II of the bill may be cited as the "Museum Services Act".

PURPOSE

Section 202 provides that it is the purpose of title II to (1) encourage and assist museums in their educational role, in conjunction with formal and informal educational systems; (2) assist museums in modernizing their methods and facilities; and (3) ease the financial burdens experienced by museums.

INSTITUTE OF MUSEUM SERVICES

Section 203 establishes within the Department of Health, Education, and Welfare an Institute of Museum Services (hereinafter in this explanation referred to as the "Institute"). The Institute consists of a National Museum Services Board (hereinafter in this explanation referred to as the "Board") and a Director of the Institute (hereinafter in this explanation referred to as the "Director").

NATIONAL MUSEUM SERVICES BOARD

Section 204(a) provides that the Board will consist of 15 members appointed by the President, by and with the advise and consent of the Senate. The members of the Board must be broadly representative of (1) various museums, including museums relating to science, history, technology, and art, and also including zoos and botanical gardens; (2) the curatorial, educational, and cultural resources of the United States; and (3) the general public.

Section 204(b) provides that the members of the Board shall serve for terms of 5 years, except that (1) a member appointed to fill a vacancy shall serve only for the unexpired term of his predecessor; and (2) of the members first appointed, 3 shall serve for terms of 4 years, 3 shall serve for terms of 3 years, 3 shall serve for terms of 2 years, and 3 shall serve for terms of 1 year, as designated by the President at the time of nomination for appointment.

Subsection (b) also provides that a member of the Board who has served for more than 7 consecutive years shall not be eligible for reappointment to the Board during the 3-year period immediately following the expiration of the last such consecutive year.

Section 204(c) provides that the Chairman of the Board shall be designated by the President from among the members of the Board. Eight members of the Board shall constitute a quorum.

Section 204(d) provides that the Board will meet at the call of the Chairman of the Board, except that (1) the Board shall meet not less than 4 times annually; (2) if the Director determines that a meeting of the Board is necessary, the Board must meet whenever one-third of the members requests a meeting in writing, in which case one-half of the members shall constitute a quorum; and (3) in any case in which one-third of the members of the Board requests a meeting in writing, the Board shall meet and one-third of the members shall constitute a quorum.

Section 204(e) permits members of the Board who are not regular full-time employees of the United States to receive compensation at a rate to be fixed by the President. The rate of compensation, however, may not exceed the rate specified for grade GS-18 in section 5332 of title 5, United States Code, including travel time. Members of the Board are allowed travel expenses, including per diem in lieu of subsistence as authorized by section 5703 of title 5, United States Code, for persons employed in the service of the Federal Government.

Section 204(f) gives the Board the responsibility for establishing general policies regarding the powers, duties, and authorities vested in the Institute under title II of the bill. The Director is required to make available to the Board such information and assistance as may be necessary to enable the Board to carry out its functions.

DIRECTOR OF THE INSTITUTE

Section 205(a) provides that the Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall serve at the pleasure of the President. The Director is required to perform such duties and exercise such powers as the Board may prescribe.

Section 205(b) provides for a Deputy Director of the Institute appointed by the President. The Deputy Director is required to exercise such powers as the Director may prescribe, and is required to serve as Director during the absence or disability of the Director, or in the event of a vacancy in the office of Director.

ACTIVITIES OF THE INSTITUTE

Section 206(a) permits the Director (with the advice of the Board) to make grants to museums to increase and improve museum services through such activities as (1) programs for the construction of displays and exhibitions; (2) assistance for staff development; (3) assistance regarding administrative costs; (4) assistance regarding the development of traveling exhibitions; (5) assistance regarding the conservation of artifacts and art objects; and (6) assistance regarding the development of specified programs.

Section 206(b) provides that grants made under section 206 may not exceed 75 percent of the cost of the program involved.

CONTRIBUTIONS

Section 207 gives the Institute the authority to accept grants, gifts, and bequests of money in the name of the United States.

FUNCTIONS OF FEDERAL COUNCIL ON THE ARTS AND HUMANITIES

Section 208 amends section 9(c) of the Act to require the Federal Council on the Arts and Humanities to advise and consult with the Board and with the Director on major problems arising in carrying out the purposes of the Institute. Such Council is also required to coordinate the policies and operations of the Institute with the policies and operations of the National Endowment for the Arts and the National Endowment for the Humanities. Such Council is also required to promote coordination between the programs and activities of the Institute and related programs and activities of other Federal agencies.

AUTHORIZATION OF APPROPRIATIONS

Section 209(a) authorizes the following amounts for grants under section 206(a): \$15,000,000 for fiscal year 1977, \$25,000,000 for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980.

Section 209(b) authorizes to be appropriated for the period beginning on the date of enactment of the bill and ending October 1, 1978, an amount equal to amounts contributed to the Institute during such period under section 207.

Amounts appropriated under section 209(b) shall be used for the purpose of enabling the Institute to carry out its functions under title II.

DEFINITION

Section 210 defines the term "museum" to mean a public or private nonprofit agency organized for essentially educational and aesthetic purposes which (through the use of professional staff) owns or uses tangible objects, cares for such objects, and exhibits such objects to the public on a regular basis.

TITLE III—CHALLENGE GRANT PROGRAM

ESTABLISHMENT OF PROGRAM

Section 301 amends the Act by adding a new section 12. Section 12(a) permits the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities, with the advice of the National Council on the Arts and the National Council on the Humanities, to establish a program of contracts with, or grants-in-aid to, public agencies and private nonprofit organizations.

The contracts and grants-in-aid shall be for the purpose of (1) enabling cultural organizations to increase levels of support and increase the range of contributors; (2) providing administrative and management improvements for cultural organizations; (3) enabling cultural organizations to increase audience participation in, and appreciation of, programs sponsored by such organizations; (4) stimulating greater cooperation among cultural organizations; and (5) fostering greater citizen involvement in planning the cultural development of a community.

Section 12(b) limits the total amount of any payment under section (12) to 50 percent of the cost of the program involved.

Section 12(c) provides that the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities shall, in carrying out the program under section 12, have the same authority as is established in section 10 of the Act.

AUTHORIZATION OF APPROPRIATIONS

Section 302 amends section 11(a) of the Act to authorize to be appropriated for each fiscal year ending before October 1, 1981, an amount equal to the amounts received by the National Endowment for the Arts and the National Endowment for the Humanities for the purposes set forth in section 12(a) of the Act. The amendment, however, establishes the following ceilings for such authorization: \$15,000,000 for fiscal year 1977, and \$20,000,000 for fiscal year 1978. Such sums as may be necessary are authorized for fiscal years 1979 and 1980. The amendment also provides that sums appropriated for any fiscal year shall remain available for obligation and expenditure until expended, and that sums available to one Endowment may be transferred to the other Endowment upon mutual agreement by the Endowments.

CHANGES IN EXISTING LAW MADE BY THE BILL

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES ACT OF 1965

* * * * *

ESTABLISHMENT OF THE NATIONAL ENDOWMENT FOR THE ARTS

SEC. 5. (a) There is established within the Foundation a National Endowment for the Arts.

(b)(1) The Endowment shall be headed by a chairman, to be known as the Chairman of the National Endowment for the Arts, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) The term of office of the Chairman shall be four years and the Chairman shall be eligible for reappointment. The provisions of this subsection shall apply to any person appointed to fill a vacancy in the office of Chairman. Upon expiration of his term of office the Chairman shall serve until his successor shall have been appointed and shall have qualified.

(c) The Chairman, with the advice of the National Council on the Arts, is authorized to establish and carry out a program of contracts with, or grants-in-aid to, groups, or, in appropriate cases, individuals of exceptional talent engaged in or concerned with the arts,

for the purpose of enabling them to provide or support [in the United States]—

(1) projects and productions which have substantial artistic and cultural significance, giving emphasis to American creativity and the maintenance and encouragement of professional excellence;

(2) projects and productions, meeting professional standards of authenticity, irrespective of origin, which are of significant merit and which, without such assistance, would otherwise be unavailable to our citizens for geographic or economic reasons;

(3) projects and productions that will encourage and assist artists and enable them to achieve wider distribution of their works, to work in residence at an educational or cultural institution, or to achieve standards of professional excellence;

(4) workshops that will encourage and develop the appreciation and enjoyment of the arts by our citizens;

(5) other relevant projects, including surveys, research, planning, and publications relating to the purposes of this subsection.

In the case of publications under clause (5) of this subsection such publications may be supported without regard for the provisions of section 501 of title 44, United States Code, only if the Chairman consults with the Joint Committee on Printing of the Congress and the Chairman submits to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives a report justifying any exemption from such section 501.

(d) No payment may be made to any group under this section except upon application therefor which is submitted to the National Endowment for the Arts in accordance with regulations and procedures established by the Chairman.

(e) The total amount of any grant to any group pursuant to subsection (c) of this section shall not exceed 50 per centum of the total cost of such project or production, except that not more than 20 per centum of the funds allotted by the National Endowment for the Arts for the purposes of subsection (c) for any fiscal year may be available for grants and contracts in that fiscal year without regard to such limitation.

(f) Any group shall be eligible for financial assistance pursuant to this section only if (1) no part of its net earnings inures to the benefit of any private stockholder or stockholders, or individual or individuals, and (2) donations to such group are allowable as a charitable contribution under the standards of subsection (c) of section 170 of the Internal Revenue Code of 1954.

(g)(1) The Chairman, with the advice of the National Council on the Arts, is authorized to establish and carry out a program of grants-in-aid to assist the several States in supporting existing projects and productions which meet the standards enumerated in section 5(c) of this Act, and in developing projects and productions in the arts in such a manner as will furnish adequate programs, facilities, and services in the arts to all the people and communities in each of the several States.

(2) In order to receive assistance under this subsection in any fiscal

year, a State shall submit an application for such grants at such time as shall be specified by the Chairman and accompany such applications with a plan which the Chairman finds—

(A) designates or provides for the establishment of a State agency (hereinafter in this section referred to as the "State agency") as the sole agency for the administration of the State plan, except that in the case of the District of Columbia, the Recreation Board, or any successor designated for the purpose of this Act by the Commissioner of the District of Columbia, shall be the "State agency";

(B) provides that funds paid to the State under this subsection will be expended solely on projects and productions approved by the State agency which carry out one or more of the objectives of subsection (c); and

(C) provides that the State agency will make such reports, in such form and containing such information, as the Chairman may from time to time require.

(3) Of the sums available to carry out this subsection for any fiscal year, each State which has a plan approved by the Chairman shall be allotted at least \$200,000. If the sums appropriated are insufficient to make the allotments under the preceding sentence in full, such sums shall be allotted among such States in equal amounts. In any case where the sums available to carry out this subsection for any fiscal year are in excess of the amount required to make the allotments under the first sentence of this paragraph—

(A) the amount of such excess which is no greater than 25 per centum of the sums available to carry out this subsection for any fiscal year shall be available only to the Chairman for making grants under this subsection to States and regional groups, and

(B) the amount of such excess, if any, which remains after reserving in full for the Chairman the amount required under clause (A) shall be allotted among the States which have plans approved by the Chairman in equal amounts but in no event shall any State be allotted less than \$200,000.

(4) (A) *The amount of each allotment to a State for any fiscal year under this subsection shall be available to each State, which has a plan approved by the Chairman in effect on the first day of such fiscal year, to pay not more than 50 per centum of the total cost of any project or production described in paragraph (1). The amount of any allotment made under paragraph (3) for any fiscal year which exceeds \$125,000 shall be available, at the discretion of the Chairman, to pay up to 100 per centum of such cost of projects and productions if such project and productions would otherwise be unavailable to the residents of that State: Provided, That the total amount of any such allotment for any fiscal year which is exempted from such 50 per centum limitation shall not exceed 20 per centum of the total of such allotment for such fiscal year.*

(B) Any amount allotted to a State under the first sentence of paragraph (3) for any fiscal year which is not obligated by the State prior to 60 days prior to the end of the fiscal year for which such sums are appropriated shall be available for making grants to regional groups.

(C) Funds made available under this subsection shall not be used to supplant non-Federal funds.

(D) For the purpose of paragraph (3) and paragraph (4) of this section the term "regional group" means any multi-State group, whether or not representative of contiguous States.

(5) All amounts allotted or made available under paragraph (3) for a fiscal year which are not granted to a State during such year shall be available at the end of such year to the National Endowment for the Arts for the purpose of carrying out section 5(c).

(h) Whenever the Chairman, after reasonable notice and opportunity for hearing, finds that—

(1) a group is not complying substantially with the provisions of this section;

(2) a State agency is not complying substantially with terms and conditions of its State plan approved under this section; or

(3) any funds granted to a group or State agency under this section have been diverted from the purposes for which they are allotted or paid,

the Chairman shall immediately notify the Secretary of the Treasury and the group or State agency with respect to which such finding was made that no further grants will be made under this section to such group or agency until there is no longer any default or failure to comply or the diversion has been corrected, or, if compliance or correction is impossible, until such group or agency repays or arranges the repayment of the Federal funds which have been improperly diverted or expended.

(i) It shall be a condition of the receipt of any grant under this section that the group or individual of exceptional talent or the State or State agency receiving such grant furnish adequate assurances to the Secretary of Labor that (1) all professional performers and related or supporting professional personnel (other than laborers and mechanics with respect to whom labor standards are prescribed in subsection (j) of this section) employed on projects or productions which are financed in whole or in part under this section will be paid, without subsequent deduction or rebate on any account, not less than the minimum compensation as determined by the Secretary of Labor to be the prevailing minimum compensation for persons employed in similar activities; and (2) no part of any project or production which is financed in whole or in part under this section will be performed or engaged in under working conditions which are unsanitary or hazardous or dangerous to the health and safety of the employees engaged in such project or production. Compliance with the safety and sanitary laws of the State in which the performance or part thereof is to take place shall be prima facie evidence of compliance. The Secretary of Labor shall have the authority to prescribe standards, regulations, and procedures as he may deem necessary or appropriate to carry out the provisions of this subsection.

(j) It shall be a condition of the receipt of any grant under this section that the group or individual of exceptional talent or the State or State agency receiving such grant furnish adequate assurances to the Secretary of Labor that all laborers and mechanics employed by contractors or subcontractors on construction projects assisted under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by

the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5). The Secretary of Labor shall have with respect to the labor standards specified in this subsection the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

(k) The Chairman shall correlate the programs of the National Endowment for the Arts insofar as practicable, with existing Federal programs and with those undertaken by other public agencies or private groups, and shall develop the programs of the Endowment with due regard to the contribution to the objectives of this Act which can be made by other Federal agencies under existing programs.

NATIONAL COUNCIL ON THE ARTS

SEC. 6. (a) There shall be, within the National Endowment for the Arts, a National Council on the Arts (hereinafter in this section referred to as the "Council").

(b) The Council shall be composed of the Chairman of the National Endowment for the Arts, who shall be Chairman of the Council, and twenty-six other members appointed by the President, *by and with the advice and consent of the Senate*, who shall be selected—

(1) from among private citizens of the United States who are widely recognized for their broad knowledge of, or expertise in, or for their profound interest in, the arts;

(2) so as to include practicing artists, civic cultural leaders, members of the museum profession, and others who are professionally engaged in the arts; and

(3) so as collectively to provide an appropriate distribution of membership among the major art fields.

The President is requested, in the making of such appointments, to give consideration to such recommendations as may, from time to time, be submitted to him by leading national organizations in these fields.

* * * * *

ESTABLISHMENT OF THE NATIONAL ENDOWMENT FOR THE HUMANITIES

SEC. 7. (a) There is established within the Foundation a National Endowment for the Humanities.

(b) (1) The Endowment shall be headed by a chairman, who shall be appointed by the President, *by and with the advice and consent of the Senate*.

(2) The term of office of the Chairman shall be four years, and the Chairman shall be eligible for reappointment. The provisions of this paragraph shall apply to any person appointed to fill a vacancy in the office of the Chairman. Upon expiration of his term of office the Chairman shall serve until his successor shall have been appointed and shall have qualified.

(c) The Chairman, with the advice of the National Council on the Humanities (hereinafter established), is authorized to—

(1) develop and encourage the pursuit of a national policy for the promotion of progress and scholarship in the humanities;

(2) initiate and support research and programs to strengthen the research and teaching potential of the United States in the humanities by making arrangements (including contracts, grants, loans, and other forms of assistance) with individuals or groups to support such activities; any loans made by the Endowment shall be made in accordance with terms and conditions approved by the Secretary of the Treasury;

(3) award fellowships and grants to institutions or individuals for training and workshops in the humanities. Fellowships awarded to individuals under this authority may be for the purpose of study or research at appropriate non-profit institutions selected by the recipient of such aid, for stated periods of time;

(4) foster the interchange of information in the humanities;

(5) foster, through grants or other arrangements with groups, education in, and public understanding and appreciation of the humanities;

(6) support the publication of scholarly works in the humanities; and

(7) insure that the benefit of its programs will also be available to our citizens where such programs would otherwise be unavailable due to geographic or economic reasons.

In the case of publications under clause (6) of this subsection such publications may be supported without regard for the provisions of section 501 of title 44, United States Code, only if the Chairman consults with the Joint Committee on Printing of the Congress and the Chairman submits to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives a report justifying any exemption from such section 501.

(d) The Chairman shall correlate the programs of the National Endowment for the Humanities, insofar as practicable, with existing Federal programs, designated State humanities agencies and with those undertaken by other public agencies or private groups, and shall develop the programs of the Endowment with due regard to the contribution to the objectives of this Act which can be made by other Federal agencies under existing programs.

(e) The total amount of any grant under subsection (c) (3) to any group engaging in workshop activities for which an admission or other charge is made to the general public shall not exceed 30 per centum of the total cost of such activities.

(f) (1) *The Chairman, with the advice of the National Council on the Humanities, is authorized to establish and carry out programs of grants-in-aid in each of the several States in order to support not more than 50 per centum of the cost of existing activities which meet the standards enumerated in subsection (c), and in order to develop programs in the humanities in such a manner as will furnish adequate programs in the humanities in each of the several States.*

(2) *In order to receive assistance under this subsection in any fiscal year, any person or entity desiring to receive such assistance shall submit an application for such grants at such time as shall be specified by the Chairman and accompany such applications with a plan which the Chairman finds—*

(A) provides that funds paid to the grant recipient will be expended solely on programs which carry out the objectives of subsection (c);

(B) establishes a membership policy which is designed to assure broad public representation with respect to programs administered by such grant recipient;

(C) provides a nomination process which assures an opportunity for nomination to membership from various groups within the State involved;

(D) provides for the rotation of the membership and officers of such grant recipient on a regular basis;

(E) establishes reporting procedures which are designed to inform the chief executive officer of the State involved, and other appropriate officers and agencies, of the activities of such grant recipient;

(F) establishes procedures to assure public access to information relating to such activities;

(G) provides that such grant recipient shall make reports to the Chairman from time to time, in such form and containing such information as the Chairman may require; and

(H) provides that two members of the executive body of such grant recipient shall be appointed by an appropriate officer or agency of the State involved.

(3) Of the sums available to carry out this subsection for any fiscal year, each grant recipient which has a plan approved by the Chairman shall be allotted at least \$200,000. If the sums appropriated are insufficient to make the allotments under the preceding sentence in full, such sums shall be allotted among such grant recipients in equal amounts. In any case where the sums available to carry out this subsection for any fiscal year are in excess of the amount required to make the allotments under the first sentence of this paragraph—

(A) the amount of such excess which is no greater than 25 per centum of the sums available to carry out this subsection for any fiscal year shall be available to the Chairman for making grants under this subsection to persons and entities applying for such grants;

(B) the amount of such excess, if any, which remains after reserving in full for the Chairman the amount required under subparagraph (A) shall be allotted among the grant recipients which have plans approved by the Chairman in equal amounts, but in no event shall any grant recipient be allotted less than \$200,000.

(4) (A) That part of any allotment made under paragraph (3) for any fiscal year—

(i) which exceeds \$125,000, but

(ii) which does not exceed 20 per centum of such allotment, shall be available, at the discretion of the Chairman, to pay up to 100 per centum of the cost of programs under this subsection if such programs would otherwise be unavailable to the residents of the State involved.

(B) Funds made available under this subsection shall not be used to supplant non-Federal funds.

(5) All amounts allotted or made available under paragraph (3) for a fiscal year which are not granted to any person or entity during such fiscal year shall be available to the National Endowment for the Humanities for the purpose of carrying out subsection (c).

(6) Whenever the Chairman, after reasonable notice and opportunity for hearing, finds that—

(A) a grant recipient is not complying substantially with the provisions of this subsection;

(B) a grant recipient is not complying substantially with terms and conditions of its plan approved under this subsection; or

(C) any funds granted to any person or entity under this subsection have been diverted from the purposes for which they are allotted or paid,

the Chairman shall immediately notify the Secretary of the Treasury and the grant recipient with respect to which such finding was made that no further grants will be made under this section to such grant recipient until there is no longer a default or failure to comply or the diversion has been corrected, or, if the compliance or correction is impossible, until such grant recipient repays or arranges the repayment of the Federal funds which have been improperly diverted or expended.

(7) The Chairman may not make grants to more than one person or entity in any State.

(g) It shall be a condition of the receipt of any grant under this section that the group or individual of exceptional talent or the State or State agency receiving such grant furnish adequate assurances to the Secretary of Labor that (1) all professional performers and related or supporting professional personnel employed on projects or productions which are financed in whole or in part under this section will be paid, without subsequent deduction or rebate on any account, not less than the minimum compensation as determined by the Secretary of Labor to be the prevailing minimum compensation for persons employed in similar activities; and (2) no part of any project or production which is financed in whole or in part under this section will be performed or engaged in under working conditions which are unsanitary or hazardous or dangerous to the health and safety of the employees engaged in such project or production. Compliance with the safety and sanitary laws of the State in which the performance or part thereof is to take place shall be prima facie evidence of compliance. The Secretary of Labor shall have the authority to prescribe standards, regulations, and procedures as he may deem necessary or appropriate to carry out the provisions of this subsection.

ESTABLISHMENT OF THE NATIONAL COUNCIL ON THE HUMANITIES

SEC. 8. (a) There is established in the National Endowment for the Humanities a National Council on the Humanities.

(b) The Council shall be composed of the Chairman of the National Endowment for the Humanities, who shall be the Chairman of the Council, and twenty-six other members appointed by the President, by and with the advice and consent of the Senate, from private life. Such members shall be selected on the basis of distinguished service

and scholarship or creativity and in a manner which will provide a comprehensive representation of the views of scholars and professional practitioners in the humanities and of the public throughout the United States. The President is requested in the making of such appointments to give consideration to such recommendations as may from time to time be submitted to him by leading national organizations concerned with the humanities.

* * * * *

ESTABLISHMENT OF THE FEDERAL COUNCIL ON THE ARTS AND
THE HUMANITIES

SEC. 9. (a) There is established within the Foundation a Federal Council on the Arts and the Humanities.

(b) The Council shall be composed of the Chairman of the National Endowment for the Arts, the Chairman of the National Endowment for the Humanities, the United States Commissioner of Education, the Secretary of the Smithsonian Institution, the Director of the National Science Foundation, the Librarian of Congress, the Director of the National Gallery of Art, the Chairman of the Commission of Fine Arts, the Archivist of the United States, the Commissioner, Public Buildings Service, General Services Administration, a member designated by the Secretary of State, and a member designated by the Secretary of the Interior, a member designated by the Chairman of the Senate Commission on Art and Antiquities, and a member designated by the Speaker of the House. The President shall designate the Chairman of the Council from among the members. The President is authorized to change the membership of the Council from time to time as he deems necessary to meet changes in Federal programs or executive branch organization.

(c) The Council shall—

(1) advise and consult with the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities on major problems arising in carrying out the purposes of the Foundation;

(2) advise and consult with the National Museum Services Board and with the Director of the Institute of Museum Services on major problems arising in carrying out the purposes of such Institute;

[2] (3) coordinate, by advice and consultation, so far as is practicable, the policies and operations of the National Endowment for the Arts [and], the National Endowment for the Humanities, and the Institute of Museum Services, including joint support of activities, as appropriate;

[3] (4) promote coordination between the programs and activities of the Foundation and the Institute of Museum Services and related programs and activities of other Federal agencies; and

[4] (5) plan and coordinate appropriate participation (including productions and projects) in major and historic national events.

* * * * *

AUTHORIZATION OF APPROPRIATIONS

[SEC. 11. (A) (1) (A) For the purpose of carrying out section 5 (c), there are authorized to be appropriated to the National Endowment for the Arts, \$54,000,000 for the fiscal year ending June 30, 1974, \$90,000,000 for the fiscal year ending June 30, 1975, and \$113,500,000 for the fiscal year ending June 30, 1976. For the purpose of carrying out section 5 (g), there are authorized to be appropriated to the National Endowment for the Arts \$11,000,000 for the fiscal year ending June 30, 1974. Not less than 20 per centum of the funds appropriated under the first sentence of this paragraph for the fiscal years ending June 30, 1975, and June 30, 1976, may be used only for the purpose of carrying out section 5 (g).]

SEC. 11. (a) (1) (A) For the purpose of carrying out section 5, there are authorized to be appropriated \$100,000,000 for fiscal year 1977, and \$113,500,000 for fiscal year 1978; and there are so authorized such sums as may be necessary for the fiscal years 1979 and 1980. Of the sums so appropriated for any fiscal year, not less than 20 per centum shall be for carrying out section 5 (g).

(B) For the purposes of carrying out section 7 (c), there are authorized to be appropriated to the National Endowment for the Humanities [\$65,000,000 for the fiscal year ending June 30, 1974, \$90,000,000 for the fiscal year ending June 30, 1975, and \$113,500,000 for the fiscal year ending June 30, 1976] \$100,000,000 for fiscal year 1977, and \$113,500,000 for fiscal year 1978; and there are so authorized such sums as may be necessary for the fiscal years 1979 and 1980. Of the sums so appropriated for any fiscal year, not less than 20 per centum shall be for carrying out section 7 (f).

(2) There are authorized to be appropriated for each fiscal year ending prior to [July 1, 1976] October 1, 1980, to the National Endowment for the Arts and the National Endowment for the Humanities, an amount equal to the total amounts received by each Endowment under section 10 (a) (2), except that the amount so appropriated for any fiscal year shall not exceed [the following limitations:

[(A) For the fiscal year ending June 30, 1974, \$15,000,000.

[(B) For the fiscal year ending June 30, 1975, \$20,000,000.

[(C) For the fiscal year ending June 30, 1976, \$25,000,000] \$20,000,000 for the fiscal year ending September 30, 1977, \$25,000,000 for the fiscal year ending September 30, 1978, and such sums as may be necessary for the fiscal years ending September 30, 1979, and September 30, 1980.

(3) (A) There are authorized to be appropriated for each fiscal year ending before October 1, 1981, to the National Endowment for the Arts and the National Endowment for the Humanities an amount equal to the total amounts received by each such Endowment for the purposes set forth in section 12 (a) pursuant to the authority of section 10 (a) (2), except that the amount so appropriated to both such Endowments for any fiscal year shall not exceed the following limitations: \$15,000,000 for fiscal year 1977, and \$20,000,000 for fiscal year 1978. Such sums as may be necessary are authorized to be appropriated for fiscal years 1979 and 1980.

(B) Sums appropriated pursuant to subparagraph (A) for any fiscal year shall remain available for obligation and expenditure until expended. Sums available to either such Endowment under subparagraph (A) for any fiscal year may be transferred for use by the other Endowment upon the mutual agreement of both such Endowments.

* * * * *

CHALLENGE GRANT PROGRAM

SEC. 12. (a) The Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities, with the advice of the National Council on the Arts and the National Council on the Humanities, are authorized, in accordance with the provisions of this section, to establish and carry out a program of contracts with, or grants-in-aid to, public agencies and private nonprofit organizations for the purpose of—

(1) enabling cultural organizations and institutions to increase the levels of continuing support and to increase the range of contributors to the program of such organizations or institutions;

(2) providing administrative and management improvements for cultural organizations and institutions, particularly in the field of long-range financial planning;

(3) enabling cultural organizations and institutions to increase audience participation in, and appreciation of, programs sponsored by such organizations and institutions;

(4) stimulating greater cooperation among cultural organizations and institutions especially designed to serve better the communities in which such organizations or institutions are located; and

(5) fostering greater citizen involvement in planning the cultural development of a community.

(b) The total amount of any payment made under this section for a program or project may not exceed 50 per centum of the cost of such program or project.

(c) In carrying out the program authorized by this section the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities shall have the same authority as is established in section 10.

○

ARTS, HUMANITIES, AND CULTURAL AFFAIRS ACT OF 1976

MAY 14, 1976.—Ordered to be printed
Filed under authority of the order of the Senate of May 13, 1976

Mr. PELL, from the Committee on Labor and Public Welfare,
submitted the following

REPORT

[To accompany S. 3440]

The Committee on Labor and Public Welfare, to which was referred legislation to amend and extend the National Foundation on the Arts and the Humanities Act of 1965, to provide for the improvement of museum services, to provide for cultural challenge programs, an arts education program and an American Bicentennial Photography and Film Project, and for other purposes, reports an original bill, and recommends that the bill do pass.

PRINCIPAL FEATURES OF THE BILL

1. In Title I there is provision for specific funding for the State Humanities program, in accord with the funding levels applicable to the State Arts program. There is provision for more State involvement in the Humanities program than at present. Several options are provided so that States may have the opportunity of carrying out programs appropriate to their individual needs.
2. Title II provides added support for the nation's museums in funding areas which museum leaders have repeatedly testified are of particular importance.
3. Title III contains an Arts Challenge Program aimed at generating up to 3 non-federal dollars for every federal dollar invested, and aimed at improving long-range planning and development of arts organizations, so that they may have the opportunity of maximum growth and benefit to their communities.
4. Title IV authorizes the National Endowment for the Arts, with its considerable resources and experience, to develop demonstration

programs in arts education. The title envisages programs on a pilot basis which would focus on the types of arts education which could prove best and most effective for the future.

5. Title V, Part A, provides for the establishment of a Humanities Challenge Program, parallel in funding provisions to those of Title III for the Arts, and focusing attention on the goals and priorities relevant to the period between the present and the 200th anniversary of the Constitution of the United States in 1989. Part B of Title V provides for a Bicentennial Photography and Film Project aimed at producing a comprehensive survey of the United States, and to be carried out primarily by the States themselves. Reference is made in this title to the highly-praised photographic survey of the nation undertaken under government auspices almost 40 years ago.

6. The legislation also makes the appointment by the President of the members of the National Council on the Arts and the National Council on the Humanities, the two key advisory bodies of the two Endowments (Arts and Humanities), subject to the advice and consent of the Senate. In addition, the bill applies the same fair labor practices applicable to the Arts program since its establishment to the activities of the Humanities Endowment where appropriate.

LEGISLATIVE CONSIDERATION

The Special Subcommittee on Arts and Humanities of the Committee on Labor and Public Welfare held joint hearings on S. 1800, S. 1809, H.R. 7126, and related legislation with the Select Subcommittee on Education of the House Committee on Education and Labor on November 12, 13 and 14, 1975. With regard to provisions to assist the nation's museums, it should be pointed out that in addition to the above-mentioning hearings, comprehensive hearings on museum needs were held by the Senate Subcommittee in 1973 and by the House Subcommittee beginning at a similar time and extending more recently to regional hearings held in 1975. Traditionally the two Subcommittees have worked in close cooperation and have shared together an extensive body of material and information.

Senate hearings before the Subcommittee were also held on April 9, 1976 to consider proposals for programs which would relate, in particular, to the nation's goals and priorities during the period between the 200th anniversary of the Declaration of Independence and the 200th anniversary of the United States Constitution.

The Subcommittee considered and reported to the Committee the legislation on April 28, 1976.

The Committee considered the legislation and reported an original bill to the Senate on May 12, 1976.

COMMITTEE ACTION

The Committee amended the legislation reported by the Subcommittee in the following manner—

(a) It provided that the Arts Endowment may support American arts activities abroad but only if the primary purpose of such support is to further support the arts in the United States.

(b) It reduced from fifteen to nine the number of members for the Board of the National Institute for the Improvement of Museum Services established in Title II. The nine members include: The Chairman of the National Council on the Arts and two of its members designated by such Chairman; the Chairman of the National Council on the Humanities and two of its members designated by such chairman; and three members appointed by the President, with the advice and consent of the Senate, who are not members of either Council.

(c) It provided that, with respect to the Arts Challenge Program, established by Title III, up to twenty per cent of the funding could be utilized without adherence to the matching provisions of this title for especially worthy projects which otherwise could not be initiated. This is in accord with the conditions set forth in section 504 of the legislation.

(d) It provided an additional option for States under the State Humanities program established in Title I. This option allows for the support of existing State Humanities Committees provided they meet the requirements of State law, establish appropriate grievance procedures to answer possible complaints, and comply with certain other criteria including broad representation of membership and appropriate accountability.

COSPONSORS

The Committee wishes to note that the bill is reported as an original bill.

On May 21, 1975, S. 1800 was introduced by the Chairman of the Subcommittee with the cosponsorship of Senator Javits. This bill contained comprehensive provisions for the reauthorization of the Arts and Humanities program. It also contained in Part B of its Title II the "Arts and Artifacts Indemnity Act." Because of exigencies relating to the legislation in this part, it was considered separately, passed by the Senate, subsequently by the House, and it became Public Law 94-158 on December 20, 1975. In its separate Senate consideration and subsequent action by the House, the parent number S. 1800 was used. Lacking an appropriate specific number for the comprehensive reauthorizing legislation involved, the Subcommittee developed an original bill and this, as amended by the Committee, is reported.

Were there an opportunity for co-sponsors prior to the reporting of this legislation, the Committee notes that the following Senators expressed a desire to so join: Senators Javits, Williams, Kennedy, Nelson, Mondale, Eagleton, Hathaway, Taft, and Stafford.

The Committee wishes also to note the long and close association of Senators Pell and Javits in the development of bi-partisan support for the Arts and Humanities program, and with respect to the program's growth and beneficial results.

HISTORICAL BACKGROUND

The National Foundation on the Arts and Humanities was established in 1965 by Public Law 89-209. The original Act, the first of its kind in our nation's history, was thereafter amended in 1967 by Public Law 90-348; in 1970 by Public Law 91-346; and in 1973 by

Public Law 93-133. The 1965 legislation created the National Foundation on the Arts and Humanities and its two cooperating entities, the National Endowment for the Arts and the National Endowment for the Humanities. The Endowments have Presidentially-appointed Chairmen and Councils to oversee the awarding of grants, some of them matching, which the two Endowments are authorized to make. The National Endowment for the Arts and the National Endowment for the Humanities have joint administrative staff who report to both Chairmen.

NATIONAL ENDOWMENT FOR THE ARTS

The Committee is particularly gratified by the Arts Endowment's overall program which brings quality in the arts to an ever increasing number of Americans—regardless of their geographical location, or economic circumstances.

THE ENDOWMENT AS CATALYST

The Committee believes that the Arts Endowment is continuing to fulfill its important role as a catalyst in the development of the arts. It applauds the wisdom of assisting existing organizations to enhance their activities while at the same time exerting leadership in the development of new organizations. The Committee cites as examples the more than 50 resident professional theaters and 60 resident professional dance companies now in operation. In the ten-year span of the Endowment's life, these groups have dramatically increased. Ten years ago, the number of resident theater groups was 15 and the number of dance companies only ten.

During the past three years, the two groups have almost doubled in numbers, showing an increasing momentum. The Committee is mindful of the Endowment's constructive programs to assist our nation's orchestras and opera companies, and individual artists in all fields of endeavor; and it looks forward to a continuing growth of the arts, so that their benefits can reach all parts of our country.

REGIONAL EFFORTS

The Committee has urged the development of regional arts activities involving state cooperation and notes that there are at present seven regional coordinators assisting many states in undertaking projects on a intercooperative basis through such regional organizations as the Western State Arts Foundation, the Upper Mid-West Regional Arts Council, the Mid-America Arts Alliance, and the Southern Federation of State Arts Agencies. Funding for these organizations has more than doubled, from \$806,617 in fiscal year 1974 to \$1,374,000 in fiscal year 1976.

PUBLIC MEDIA

The Committee is pleased to report since fiscal year 1974, when the latest previous reauthorization occurred, the Arts Endowment has funded seven series for public television broadcasting: Dance in America; Drama by American Authors; Live Performances at Lincoln Center; Women Artists (pending National Council approval); and three American Film Series on Immigrant Film Directors, Blacks in American Film and American Indians in Film.

STATE ARTS AGENCIES

The testimony received by the Committee focused on the encouraging growth in the support, scope and quality of State arts agencies created under section 5 of the Act.

The increase in the minimum grant to over \$200,000 for each State has had beneficial results. State art agencies have become leaders in providing a wide variety of programs to meet local and community needs.

When the Endowment began its assistance to the States ten years ago, State funding for the arts was approximately \$4 million per year in total. Today's total exceeds \$60 million. The Committee places great significance on this 15-fold increase. It demonstrates that the States are giving growing priorities to the arts and that there is substantial and growing grass-roots support for them, in keeping with findings, which were reported in the hearings, of Louis Harris, the well-known poll taker and Chairman of the Associated Councils of the Arts. Mr. Harris has emphasized that the American people in the years ahead will be searching for "a quality of experience to fit the quality of life." In this search, he has pointed out, "the arts are central."

FINANCIAL NEEDS

The Committee received comprehensive testimony from the National Committee for Cultural Resources regarding the financial needs of the non-profit arts in the United States. Based on extensive research, this Committee recommends that "Federal aid should provide an average of no less than 10 percent annually of the funds needed by the arts organizations of the nation." Based on this assessment, this Committee urged that a minimum of \$225 million be authorized—and appropriated—to meet most pressing needs.

The Labor and Public Welfare Committee carefully considered this recommendation. It believes that there are many unmet needs in the arts. It recognizes that inflation plus recession have placed often critical limitations on the development of our cultural resources, at the very time when our people are placing increasing demands on these resources to benefit the quality of their lives. It recognizes that the arts, and the manifold related businesses, with which they are involved—from tourism, to the vast assortment of art supplies and suppliers, to the construction or improvement of art facilities which frequently serve as focal points for community growth and the attraction of industry—have a highly important economic impact. It recognizes that the arts are labor intensive—that when a major orchestra performs, for example, 100 individual musicians, 100 jobs, are involved. It also recognizes the present appropriateness of the ten percent figure. The Committee continues to believe that the Federal role should never be dominant and that the Federal investment should constantly be used to stimulate non-Federal assistance. While the authorized amounts are well below those recommended to the Committee—and also well below those adopted by the Senate in 1973—the Committee believes they are in keeping with the necessity for fiscal restraint and that they offer an opportunity for future needed growth.

ADDITIONAL RESEARCH

The Committee notes favorably that the Arts Endowment has increased its capability to research needs in the arts. In this regard, the Committee wishes especially to emphasize that its requested study of theater needs, including the commercial theater as it relates to non-profit theater activities and as general needs relate to the entire development of this important art form, is long overdue. The Committee expects a thorough report on this matter within the next year.

HISTORIC PRESERVATION

The Committee commends the Arts Endowment for the initiatives it has taken in projects which are of abiding value to our nation, and recalls in its report on the last previous reauthorization legislation recommending that the Endowment only support projects of such value and quality, in particular reference to the Bicentennial. In this regard, the Committee encourages the Endowment to place an important emphasis on projects related to the preservation and enhancement of our country's historic houses and landmarks, so that, in accord with the Declaration of Purpose of the initial enabling legislation we may achieve "a better understanding of the past."

NATIONAL ENDOWMENT FOR THE HUMANITIES

The Committee is pleased to acknowledge accomplishments of the Endowment during the past three years since reauthorization.

1. The Endowment's Research Division is described by the Endowment Chairman as "the smallest of its programs supporting the works of scholarship which, although they redound to the benefit of the nation as a whole, can only employ the minds of a few." In a Bicentennial program to reach a wider audience, this Division is supporting the preparation of special histories of each State in the Union, "written for the general reader by distinguished writers."

2. The Division of Education has embarked on a series of experimental grants to include major metropolitan museums and libraries as focal points for year-long educational programs for urban populations.

3. The Division of Fellowships traditionally serves to enhance the competence of scholars and teachers in the humanities. It has recently broadened its program to include journalists, lawyers, medical practitioners and public administrators, so that they may have a greater awareness of the values of the humanities.

4. The Endowment has helped to support Public Television's, "The Adams Chronicles," the widely acclaimed saga of the Adams family; and it has assisted in funding such major exhibitions as the display of Impressionist paintings from the Soviet Union at the National Gallery, the Tapestry Masterpieces exhibition at New York's Metropolitan Museum of Art and the showing of Chinese archeological treasures in San Francisco and Kansas City.

The Committee received testimony from the Chairman of the Endowment which included specific examples of the benefits of Federal support:

The range of direct, immediate beneficiaries covers (for example) the junior college teacher who receives a summer stipend for individual study of American Indian culture; the several scholars who are preparing an historical atlas of the United States; a group of college faculty who are integrating ethical studies into their engineering and pre-med curricula; a team of scholars and editors designing "Courses By Newspaper" on critical public issues; and a museum exhibition or a television film program.

In all these cases, however, the immediate grantees have received NEH funds because their work will serve ultimately hundreds, even millions, of Americans; the junior college teacher's knowledge of American Indian culture will benefit hundreds of students during his or her teaching career; the historical atlas will be used by hundreds of other scholars and in thousands of classrooms and libraries, enriching education and the future acquisition of knowledge; the revised college curriculum will be emulated by other institutions and help train thousands of young people for professional work of broad effect among the general population; Courses By Newspaper will appear in hundreds of city newspapers and be read by millions; and the museum and television projects will be viewed by other millions in small towns as well as major urban areas.

In addition, the effects of one small grant can be spread out over different time periods and felt by ever larger numbers of people at each stage. Thus, for example, a Youth-grant of \$2,910 to an 18-year-old youth in Southern Nevada helped her organize a local history project which directly involved 35 4-H club members, resulting in four television presentations and an historical exhibit, at the Nevada State Fair, which helped thousands of people gain a greater understanding of the development of their state.

Given this mix of program purposes and immediate and long-term audiences, it is not possible to quantify for any year what a particular budget authority level produces in "number of individuals served." But facts and conservative estimates yield this picture of the reach of NEH programs in the present fiscal year. They will support the work of 180 individual humanist scholars, for research, fellowships, and youth-grants. They will fund educational development in 200 schools, colleges, and universities. They will assist 250 research collections, museums, libraries and other humanities-related institutions. They will support 2,250 projects developed in all 50 states through re-grants of the state-based programs, involving 12,400 humanists and reaching an adult audience of 21 million. And they will reach 23 million people through national and regional television and radio programs; 18 million through Courses By Newspaper; and a further multi-million audience—surely the largest audience ever engaged in a nation-wide program—through the American Issues Forum and Bicentennial Youth Debate.

These are not just statistics. Some are grant recipients pushing back the frontiers of scholarship, learning to become better teachers, or organizing and presenting humanistic knowledge for academic or general use. Many are active participants in community discourse addressed to life's difficult decisions; many more are seeking out those few hours or pages in which the media have begun to explore the ideas and works of history's great minds.

While such examples illustrate the potential of Federal support for the humanities to affect large numbers of our citizens, the Committee wants to see greater emphasis in the future on the type of activities which will make the values inherent in the humanities better understood and appreciated by our people.

STATE HUMANITIES PROGRAMS

For the first time since enactment of the Arts and Humanities legislation in 1965, there is specific language included for a State Humanities program. In the past the Committee has urged the Humanities Endowment to formulate such a program. In 1975 the Endowment reported that there were State programs in all 50 States. Accordingly, S. 1800 introduced by the Chairman of the Subcommittee, Senator Pell, and co-sponsored by Senator Javits, contained a legislative provision aimed at giving legislative authority to these programs, and at giving the States themselves the opportunity to develop their own programs in answer to their own desires and needs.

The Committee points out that the State program for the Humanities is presently conducted through committees in each State and that initially, the leadership of these committees emanated through appointment from Washington and the Humanities Endowment, rather than emanating from the States themselves. In turn, the committee leaders and chairmen were and typically remain responsible for the selection of committee members.

In contrast, from its outset in 1966, the State arts program under Federal law has emanated from the States, with chairmen and members of State arts councils appointed by the Governors of the States involved.

State Humanities committees conduct programs in accordance with specific themes related to particular subject areas in a given year. In contrast, State arts programs are not restricted to such themes and thus are responsive to a wide variety of application each year.

The Committee recognizes the meritorious quality of State Humanities programs, as well as the caliber of leadership involved. However, it believes that the States themselves should have the determining voice in the development of State programs.

Therefore, the bill provides for any State to exercise its own will determining the best structure for its State program. One option is a phase-in of State leadership through (1) gubernatorial approval of the State plan in cases where States committees continue to function; (2) after a three year period dating from enactment of the legislation, a majority of committee members will be gubernatorially appointed; and (3) the taking of other steps to assure broadly representative membership and public participation in Committee activities.

The legislation also provides a second option of Federal funding by the Endowment of an existing State agency which combines the administration of State programs in the Arts and Humanities within one entity.

Thirdly, the bill also allows States to designate an existing Committee for the Humanities, provided that (1) the State has established an appropriate procedure for dealing with legitimate grievances of its citizens regarding the activities or plans of the State Committee; and (2) take other steps to assure broadly representative membership and public participation in Committee activities.

For each of these three options, a single agency or committee must be designated as the sole State entity for support by the National Endowment for the Humanities under this Act, and the entity must be designated in accordance with State law.

The Committee looks forward to increased grass roots impact of the Humanities program. It remembers that in the early days, when the enabling legislation was under consideration, the humanities community provided the inspiration and national impact which were primarily responsible for bringing the overall legislation into reality.

The Committee notes the substantial national impact of the activities of the Arts Endowment since enactment of the enabling legislation—in the increasing value of the State arts programs, in the related growth of municipal support, as well as in the dramatic growth of community arts councils from less than 100 to more than 1,000 in ten years.

The Committee believes that the legislation it is reporting will help make possible a strengthening of humanities activities, both at the State and community level and with respect to the innovative Bicentennial era challenge program for the Humanities Endowment described below in this report.

AMERICAN FILM INSTITUTE (AFI)

The Committee wishes to note the accomplishments and growth of the American Film Institute over the past three years. In particular, the Committee applauds the success of the Institute in generating a broader base of non-federal support. The Institute has more than doubled this support since 1973, as the table below demonstrates. Current estimates indicate an additional 28 per cent increase, from \$1,861,360 in 1975 to \$2,370,375 in 1976. In contrast, support from the National Endowment for the Arts has increased by 17 per cent—from \$1,100,000 in 1975 to \$1,290,000 in 1976. The figures show that the Institute has achieved a better than dollar for dollar match, with respect to federal assistance.

Analysis of growth of American Film Institute self-generated revenue

AFI self-generated revenue:

Fiscal year:	
1973	\$922, 600
1974	1, 327, 400
1975	1, 861, 360
1976	¹ 2, 370, 375

NEA general grant:

Fiscal year:	
1973	1, 100, 000
1974	1, 100, 000
1975	1, 100, 000
1976	1, 290, 000

¹ Estimated.

Accomplishments of the Institute, as reported by its Director George Stevens Jr. at the hearings, include—

the preservation of more than 12,000 motion pictures through its collection at the Library of Congress, an ongoing program directed at ensuring the safety of a large portion of America's film heritage;

the compilation of the AFI catalogue, a partially completed, projected 19-volume series which will document every feature film produced in the United States since 1893;

training and education in filmmaking at the Institute's Center for advanced Film Studies in Beverly Hills, California, in which more than 1000 young professionals participated in the past year;

special internships for aspiring film directors to work with established professionals;

a pilot training program designed to aid women already working in motion pictures to gain the experience needed to achieve positions as film directors;

the Independent Filmmake Grants program which has provided support to over 150 filmmakers since 1968;

the operation of the AFI Theatre in the John F. Kennedy Center for the Performing Arts as a gallery of film showing over 600 motion pictures a year, and offering an outreach program of assistance to regional theatres in exhibiting special film programs.

COMMITTEE OVERSIGHT

During the past year the Subcommittee on Arts and Humanities carefully reviewed the relationship between the Endowment and the Institute. The Institute is unique in its having been established by the Endowment in 1967 in order to improve quality in the major art forms of film and television. The Institute's mission is both educational and archival. From the beginning, it was clearly recognized that the success of AFI would depend on a combination of federal and non-federal funding, with emphasis on developing broad cooperative support. The Subcommittee urged the establishment of procedures which

would maximize the development of such support, including procedures which would afford maximum opportunity for the appropriate growth of the Institute and its significant endeavors with Endowment assistance.

Accordingly, the Committee is gratified by the letter, whose text is printed below, addressed to the Chairman of the Subcommittee, with an identical letter going to the Chairman of the Subcommittee in the House of Representatives.

NATIONAL ENDOWMENT FOR THE ARTS,
Washington, D.C., February 27, 1976.

HON. CLAIBORNE PELL,
Chairman, Special Subcommittee on Arts and Humanities, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter conveys our recognition of the significant progress that the American Film Institute has made in advancing the art of film, and informs you of our current plans, which we are confident will result in an effective relationship between our agencies to advance mutual goals.

Both the Institute and the Endowment are pleased with the results of the Institute's growth over the last eight years and with the Endowment's contributions to its purposes. We both believe that the Institute has an important role to play in encouraging American film and television. At the same time we both recognize the magnitude of the job to be done and the many difficulties involved. We realize the benefit of our working closely together and also the great importance of our working cooperatively with others.

With the support of Senator Pell and Congressman Brademas and their respective committees, we feel that the National Council on the Arts and the American Film Institute's Board of Trustees are assisting us to move in the right direction. We, of course, need also to work in concert with the Appropriations committees in both houses, and believe we are doing so.

The issues faced by the Endowment and the Institute are not simple, but we will try to state them simply.

The American Film Institute has a leadership and catalytic role to play in the development of film and television in this country. The Endowment recognizes this role and is committed to work with the Institute in fulfilling it.

To achieve its purposes, the Institute requires a long-range plan of stable funding. This will provide it with the opportunity to develop long-range programs and services. The Institute needs a continuity and dependability of support, both government and private. The Institute has done remarkably well in developing a broader base of support in recent years, and the National Council on the Arts is both pleased and anxious to encourage this progress.

The Endowment and the Institute need to improve and strengthen their joint planning capacities and to develop a more efficient and effective review process for the Institute's grant and contracts.

To address these issues, we have, on the recommendation of the National Council on the Arts and after extensive consultation among our respective staffs and with the Institute's Board of Trustees, developed the following procedures:

(1) An advance funding plan whereby the Institute will develop a five-year planning budget and program;

(2) An advance commitment plan whereby the Endowment will act on the Institute's annual budget application nine months prior to the beginning of the Institute's fiscal year;

(3) As part of a restructuring of the Endowment's Public Media advisory system, a General Programs subpanel is being established, composed of leading professionals in the film and television fields. This subpanel will review all the Institute's applications for new and expanded programs and contracts annually, and will review ongoing Institute programs in three-year cycles;

(4) A project manager has been appointed to administer the Endowment's responsibilities with the Institute and to coordinate the work of the subpanel; and

(5) In addition, the Endowment and the Institute are exploring other procedural changes, including alternative ways to incorporate multi-year grants and contracts in the application and review process.

We both believe that when the procedures already agreed upon and those now being considered are fully implemented, the issues mentioned above will to a great measure have been successfully addressed.

Sincerely yours,

NANCY HANKS,
Chairman, National Endowment for the Arts.
GEORGE STEVENS, JR.,
Director, American Film Institute.

MUSEUM SERVICES

Title II provides for the establishment of an Institute for the improvement of Museum Services to support our nation's museums, especially in the areas involved with administrative costs where museum leaders report most urgent needs.

BACKGROUND

Over the past four years the Subcommittee on Arts and Humanities has been studying the increasingly significant role of museums in American life. In 1973 the Subcommittee conducted extensive hearings on the subject, the most extensive ever held in the Senate, and in 1972, 1974 and 1975 the Select Subcommittee on Education of the House conducted additional hearings in Washington, D.C., Chicago, Los Angeles, San Francisco, Boston, Fort Worth, Brooklyn and New York City.

CHANGING ROLE OF MUSEUMS

The testimony presented to the Senate from all areas of the country clearly indicated that the pressures, both of increasing population and the growing interest of Americans at all economic levels in seeing works of art, historic objects and scientific collections in our nation's museums, have created critical problems for museums in meeting the rising costs of their services. These services are increasingly in demand. Attendance at museums has risen sharply in recent years. Current estimates of individual visits to museums now approximate one

billion visits on an annual basis—a five-fold increase from ten years ago.

Underscoring the vital role museums are playing, a 1974 Louis Harris poll indicated that 90 per cent of the public consider museums a significant resource for the whole community.

Museums have moved into communities in new ways and are seeking to build new audiences. "Museums U.S.A." a major survey conducted by the National Endowment for the Arts, showed that 31 per cent of our museums had developed programs to attract senior citizens, and 27 per cent were making special efforts to meet the needs of the economically disadvantaged.

MUSEUM NEEDS

Annual operating expenses of the 1,821 museums surveyed totaled \$478,912,000. And two thirds of these museums reported that their current budgets did not enable them to provide adequate services to the communities they serve. These same museums reported that an average increase of 45 per cent in their annual budgets within a three year span would be required to enable them adequately to serve their constituencies. Based on these findings it is apparent that the needs for these museums are approximately \$145 million within the above time frame. It must be remembered that this survey was completed in 1973 and that since that time museum needs, far from diminishing, have continued to increase. It must also be remembered that this survey, while the most comprehensive of its kind yet undertaken in the United States, represents only a portion of our nation's museums, estimated to number close to 5,000.

In view of these considerations, the Committee believes that the authorized amounts contained in the legislation are modest. The committee also believes that the implementation of this program, which has been before the Congress for a number of years, is overdue. It addresses needs, especially in the operating and administrative cost areas, which are not being met today. Museum leaders repeatedly testified that these considerations are of highest priority.

The NEA survey showed that more Americans visit science museums and history museums than museums devoted to art. Of the total number of visits made to museums, the study recorded that 38 percent were to science museums, 24 percent were to museums of history and 14 percent to art museums.

The Committee highly commends the efforts of both Endowments over the past few years in assisting museums with grants for "special projects" such as exhibitions, training and fellowships for museum professionals, renovation of buildings for improved security and climate control, purchase of objects and artifacts and conservation of collections, and with the passage of this legislation expect that there will be no lessening of the financial assistance and effort of the Endowments to extend this important support to museums. Most of their concern has been for museums of history and art and limited to "special projects." The proposal contained in this legislation would support a broader purpose. Assistance would concentrate on operating and ongoing programs as opposed to "special projects." In addition, support would be available to all types of museums of science and technology for which assistance at the present time is relatively small.

LOCATION OF INSTITUTE

The Committee took particular concern as to the appropriate location within the Executive Branch of the new Museums Institute. While the original bill suggested location within the Department of Health, Education, and Welfare (HEW), the Committee sought a preferable location on several grounds:

- (1) HEW has relatively little dealings with existing museums.
- (2) HEW officials had testified against the establishment of a museum program or a Museum Institute, either within their Department or elsewhere within the Federal Government.
- (3) Experience at HEW with the similar programs to advance libraries has been unfortunate. Museums are more like libraries than any other existing HEW activity. Library program units in HEW have undergone several administratively directed reorganizations prior to a direct Congressional mandate to establish an Office of Library Programs. The prior history of impoundments, the current situation of zero budget request as well as rescission requests, and the designation of libraries by HEW officials as a "low priority program" of this Administration—illustrate the possibility of an inhospitable environment for a similar new program to advance museums.
- (4) The need for national visibility of the new Institute may not be achieved by an organizational location among the many bureaus within the Education Division or another location which the Secretary might determine.

The desirability of close coordination with the principal Government agencies currently funding museum related activities, the National Endowment for the Arts and the National Endowment for the Humanities, was a major advantage. However, the Committee did not wish to locate the Institute wholly within either Endowment, because both currently undertake museum related activities. Other units of the Federal Government also relate to museums, although none in the same ways as authorized for the institute, and none as directly as the Endowments.

The primary identity of the national cultural community with the Federal Government is with the National Foundation for the Arts and Humanities and its components. The prevention of unnecessary duplication by crating as the Board an "interlocking directorate" of existing NCA and NCH members appeared to the Committee to be an ideal solution for this organizational location question. The expertise of both Councils and their Chairmen can thus be brought to the policy considerations of the Board of the Institute.

ADMINISTRATION OF THE INSTITUTE

The Committee envisioned that within the National Foundation for the Arts and Humanities there will be a third entity, the Museum Institute, which can share the administrative services, which are now shared by NEH and NEA. These resources would have to be adequately expanded to carry out the additional responsibilities of servicing the new Institute. While the Director of the Institute shall need to appoint appropriate experts and specialists to properly administer

the museum program, he would benefit from the overlapping membership on the Institute Board of NCA and NCH members, as well as from use of the panel mechanism which has been used so successfully by both Endowments. The Committee envisions that, where appropriate, NEA and NEA panels will work cooperatively with the Institute and any panels the Institute deems necessary to create for its particular purposes. Regarding requests to the Congress for funding, the Committee anticipates that the Chairman of the Federal Council on the Arts and the Humanities shall, as a part of his regular duties, take such steps as necessary to see that requests are made to the Congress for funds for both programs and administrative activities of the Institute.

CHALLENGE GRANT PROGRAM

The legislation authorizes the Chairman of the National Endowment for the Arts to establish a program of challenge grants to cultural institutions in great need.

The grants, which may be in the form of contracts and grants-in-aid to public agencies and private non-profit organizations, are intended for the following purposes: (1) To enable cultural institutions to raise their levels of financial support; (2) To provide for the improvement of the administration and management of cultural institutions; (3) To aid cultural organizations in increasing audience participation in, and appreciation of, their various programs; (4) To stimulate greater cooperation among cultural organizations; and (5) To foster greater citizen involvement in planning the cultural development of a community.

The program would provide that every Federal dollar expended under the challenge grant program must be matched by three non-Federal dollars.

The Committee by inclusion of this new provision recognizes the necessity of broadening the range and enlarging the number of sources of financial support for cultural institutions of quality. In addition, it is important to increase the levels of support, thus creating a more effective private-public sector partnership in cultural activities. Challenge grants provide an effective means for achieving these goals through more widespread sharing of responsibility for the financial support of cultural activities in communities throughout the country.

The Committee believes that one of the most important features of the challenge grant program is the encouragement of recipients to improve and integrate their program, audience, and financial development planning. This is essential if they are soundly to build new and continuing sources of support and a more stable pattern of future operations and growth.

The Endowments' expenditures in their first decade have been a significant catalyst to generating new and increased funding as well as maintaining ongoing support from other public and private sources. Indeed, the ability of cultural organizations to generate matching funds for Endowment grants has been a welcome sign of those organizations' effectiveness and the public's growing appreciation of the importance of the arts. Rather than dominating, Federal funds have been a way to help insure the pluralism of support essential to the vitality of cultural pursuits. This pluralism grows ever more impor-

tant as the number of cultural institutions increases and participation in these activities extends more widely among our citizens.

The Committee commends the Arts Endowment for the initiatives it has taken to make the federal investment serve its maximum purpose in stimulating non-federal support, and believes that the new challenge program will provide the Endowment with a much needed opportunity to address not only on-going needs but to develop new sources of future funding for the arts. In this regard the Committee also commends the Endowment for plans it is developing to encourage added corporate support.

ARTS EDUCATION PROGRAM

Testimony at the hearings on this legislation emphasized the important dimensions which the arts can bring to the educational process. The Arts Endowment, with its experience and resources of knowledge and expert opinion, is considered a most appropriate agency to initiate on the basis set forth in this title activities which will focus on exemplary demonstration projects of value to education both now and in the future.

It is the understanding of the Committee that such projects would related to instructional activities and purposes. It is the intent of the Committee, in accord with the traditional concepts of the legislation, that activities undertaken under this title would not displace or supplant professional art programs.

The Committee emphasizes the desirability of cooperative programs, as authorized by section 404(b), with the Humanities Endowment, the John F. Kennedy Center for the Performing Arts and the Office of Education.

BICENTENNIAL CHALLENGE GRANTS

Part A of Title V, Bicentennial Challenge Grants, authorizes within the National Endowment for the Humanities a new program of financial assistance. This program is for the purpose of stimulating during the era of the Bicentennial the establishment of, and private support for projects and activities to reaffirm and improve citizen involvement in America's democratic system. The Committee intends that such Bicentennial Challenge Grant program shall move toward achieving this purpose through implementation of the following goals:

- (1) to encourage citizen participation in America's democratic processes and institutions;
- (2) to develop new insights and approaches to resolve problems which confront America, and
- (3) to develop approaches that facilitate the opportunity for citizen participation in democratic decision making processes that are compatible with the daily lives of all Americans.

These goals reflect the importance and need for such program, as meaningfully set forth in testimony presented on April 9, before the Subcommittee on the Arts and Humanities. Mr. John D. Rockefeller III, Chairman, National Committee for the Bicentennial Era, noted for example:

... A new entity charged with such a mission will fill a much-needed role in full partnership and cooperation with the existing Federal institutions in the arts, science, and the humani-

ties."; and that "... the intent must be to provide a catalytic agent that can stimulate creative energies in both public and private sectors.

At the same hearing, Danial Yankelovich, noted public opinion analyst, similarly stated the need for this program:

Its emphasis is coming at this particular time, and coincides with the emergence of a new, pressing and vital national need: to reaffirm and revitalize the shared ideas that give up a distinctive American civilization; to find new ways to create citizen involvement and participation; to find new ways for the public and private sector to work together; and to find and appreciate approaches to the problems that our country faces.

The Committee further intends that the implementation of the Program goals shall be achieved through the combination of Federal and private financial support for diverse types of projects and activities. The Committee envisions that several types of projects and activities should be funded under the new Program. The estimates of the costs for such projects and activities clearly establish the need for the levels of financial authorizations provided:

Citizens Organizations.—At least 1500 citizens organizations to improve individual participation and involvement currently exist in the United States, with an average annual budget requirement of approximately \$100,000. Total estimated financial need (including all sources): \$150,000,000.

Advisory and Special Focus.—Projects are anticipated to assist Bicentennial action programs and to provide a Bicentennial focus to activities for citizens with special characteristics or needs. It is estimated that as many as 100 requests to support such activities may be presented with an operating budget requirement of approximately \$100,000 each. Total estimated financial need (including all sources): \$10,000,000.

Community Focus.—Projects to provide Bicentennial activities focused at the community level. It is estimated that requests for support of such projects could be very numerous, and total financial need from all sources be as much as \$50,000,000.

Regional and National Focus.—Projects to provide Bicentennial activities focused at regional and national levels or related to existing national organizations. It is estimated that approximately 30 meritorious requests to support such activities might be presented with an operating budget requirement of approximately \$200,000 each. Total estimated financial need: \$6,000,000.

The types of projects and activities noted above reflect only possible requests for support that might be received under the Bicentennial Challenge Grant program. It is the purpose of the Challenge Grant approach to stimulate corporate and private eleemosynary support. Consistent with the experience under the previous NEH and NEA activities, the Federal funds will function as a catalyst for non-Federal support. Given the order of magnitude of the potential universe of recipients, the need to select the most meritorious projects from competing proposals and the appropriate mix of Federal and non-Federal funding sources, the Committee believes the funding levels in the bill are the appropriate minimums to initiate the new Bicentennial Challenge Grant program.

AMERICAN BICENTENNIAL PHOTOGRAPHY AND FILM PROJECT

This project was inspired by the memorable and invaluable work produced by Farm Security Administration photographers who documented for posterity the era of the 1930's. The purpose of the project is to stimulate production of a similar body of work which will provide a lasting documentation of the communities and people of the United States in the Bicentennial era. The bill authorizes State arts agencies to apply to the National Endowment for the Arts for support of one or more photography or film projects.

The Endowment is directed to give priority to consideration for projects which involve unemployed or underemployed photographers and film makers. The Committee received testimony pointing to the need for a photographic record of high quality to properly capture the Nation at its second century milestone. Thus, only the most promising, experienced and skillful artist among those unemployed or underemployed should be given priority under Section 523(a)(2). The Committee wishes to assure that highly qualified photographers are employed to undertake this effort, so that the resulting collection of film and photography reflects the best artistry of our times.

The Endowment is also authorized to provide for the collection and dissemination of the work. The Committee would encourage the Endowment and State arts agencies to make the films and photographs produced available to the greatest possible number of American citizens, whether their interest is personal or professional.

The Committee bill authorizes states to use some of the funds received for "acquiring essential equipment and supplies, and for administrative or supervisory personnel" and other functions. The Committee wishes to emphasize that such funds are to be used only to pay for services of administrative or supervisory personnel directly involved in carrying out the Bicentennial Photography and Film Projects. In addition, the Committee wants to emphasize that it does not expect that significant investments would be made by State agencies in equipment under this program. Purchases of equipment should be undertaken only if they are considered to be essential to the implementation of a particularly promising project which would not be carried out without such purchases.

The Committee wishes to note that while there is no mandatory requirement for matching funds for this program, the Endowment does have the authority to require matching in all appropriate cases.

PROGRAM AUGMENTATION

The Committee wishes to note that percentage funding procedures, with the exception of State arts and humanities programs where such procedures were earlier initiated and cover the broad range of arts and humanities activities, are not included in this legislation.

Many witnesses and supporters of the Arts and Humanities Endowments have cautioned against "line items" in funding these cultural areas. The Committee has taken cognizance of these arguments. It places great importance on the ability of the two national advisory Councils to determine priorities for both the arts and the humanities. However, the Committee wishes to distinguish clearly between so-called line items and the principle of program reinforcement through

which the Congress may set certain broad goals and establish, within the general framework of the Act, specific opportunity for new initiatives.

By adhering to this principle, the Committee believes it has strengthened the potentials of the two Endowments to fulfill their missions.

NONINTERVENTION

In this tenth anniversary report on the activities and needs of the Endowments, the Committee wishes to reemphasize Section 4(c) of the enabling legislation enacted in 1965.

That subsection states: "In the administration of this Act no department, agency, officer or employee of the United States shall exercise any direction, supervision, or control over the policy determination, personnel, or curriculum, or the administration or operation of any school or other non-federal agency, institution, organization, or association."

The Committee believes that the concepts and basic principles inherent in this subsection are of fundamental value to the growth and development of the arts and humanities in a free society, and hopes that they will apply to all participants in the program.

THE HANDICAPPED

Handicapped individuals have the right to participate and benefit in the arts and humanities. Gifted and talented handicapped individuals have not had access to open competition in developing and marketing their talents. Study grants and subsidies should be open to promising and talented handicapped performers and fine artists to assist them in the pursuit of their talent. A special emphasis should be made with respect to grants to individual performers and performing groups of handicapped individuals.

Access to the arts is still severely restricted to many handicapped individuals because of architectural and communication barriers which have not been overcome or removed completely from museums, concert halls, and other places where the arts are performed. Tokenism has been the answer to some degree in that some facilities have made some arrangements for wheelchair use. All handicapped individuals should have open access to the arts free of communication, transportation and architectural barriers.

The Committee recommends that the National Council on the Arts should undertake projects and programs which provide opportunities for talented and gifted handicapped Americans.

INTERNATIONAL ACTIVITIES

In pursuing any international activities, the Endowments are expected by the Committee to consult and cooperate closely with the Department of State, so that such activities may be conducted in a manner consistent with the foreign policy objectives of the United States. If negotiation with foreign countries or agencies thereof becomes necessary, the Committee believes that such negotiation should be conducted by the Department of State in close consultation with the Chairman of the Endowment concerned.

The Committee wishes to emphasize, in accordance with the language adopted by the Committee, that international arts activities may be supported only if the primary purpose of such support is to support the arts in the United States.

UNIFORMITY OF APPOINTMENT OF MEMBERS OF THE NATIONAL COUNCIL ON THE ARTS

The Committee notes that since the expansion of the National Council on the Arts from 24 to 26 members in 1965, the appointment of two members of the Council is not in conformity with the appointment of the other twenty-four members as those terms expire (one-third of the members of the Council every two years). The Committee recommends that consideration be given to appointive procedures which would enable every two years the appointment of the following number of new members: 8, 8 and 10. The Committee believes that such a procedure would add to the efficiency and cohesiveness of the Council.

ADVISORY PANELS

As in the past, the Committee underscores the importance of advisory panels to the work of the Endowments. Such panels significantly serve to broaden the scope of expert knowledge and counsel which the Endowments receive from the private community in keeping with one of the guiding principles of the legislation. Because of the importance of these panels, the Committee urges the broadest possible representation of viewpoint on each panel, so that all styles and forms of expression which involve quality in the arts and humanities may be equitably treated.

The Committee recognizes the sensitivity of the work of these panels and the need for confidentiality, to the extent allowed by law, in order to protect the rights of applicants and the proper functioning of the panels themselves. The Committee also recognizes that the public has the right within the law for all appropriate information on the work of the Endowments. In this regard, the Committee notes favorably the balance the Endowments have struck between, on the one hand, the interest of the agencies in obtaining candid expert advice and, on the other, the interest of the general public in being properly informed as to Endowment activities. The Committee believes that this balance is needed to maintain the professionalism and dedication to service so essential to the work of the panels.

COST ESTIMATE

In compliance with Section 252(a) of the Legislative Reorganization Act, the Committee estimates the following costs will be incurred in carrying out the provisions of this legislation.

	[In millions of dollars]			
	1977	1978	1979	1980
Title I:				
Endowment for the arts.....	100	115	(1)	(1)
Endowment for humanities.....	90	105	(1)	(1)
Title II: Museum services.....	15	25	(1)	(1)
Title III: Arts challenge grant program.....	15	20	(1)	(1)
Title IV: Arts education program.....	10	10	(1)	(1)
Title V:				
Humanities challenge grant program—Pt. A.....	15	20	(1)	(1)
Photo and film project—Pt. B.....	5	5	(1)	(1)
Total.....	250	300	(1)	(1)

¹ Such sums.

With regard to the funding of the above titles, such sums as are necessary are authorized for the fiscal years 1979 and 1980. It would be the Committee's expectation that money available in these two fiscal years would be no less than the amounts appropriated for fiscal year 1978.

The Committee also wishes to note that the total sums authorized for fiscal 1977 (\$250 million) is \$2 million less than the total authorized (\$252 million) for Arts and Humanities in the current fiscal year.

TABULATION OF VOTES IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of rollcall votes in Committee:

An amendment of Senator Stafford, as amended by Senator Javits, to provide an additional option to States under the State Humanities program. This option allows for the support of existing State Humanities Committees, provided that they establish appropriate grievance procedures to answer complaints and comply with other criteria including broad representation of membership and accountability and provided that such a procedure is in accordance with the laws of the State involved.

Yeas

Senator Cranston
 Senator Hathaway
 Senator Javits
 Senator Schweiker
 Senator Beall
 Senator Stafford
 Senator Williams

Nays

Senator Pell
 Senator Kennedy
 Senator Nelson (by proxy)
 Senator Mondale (by proxy)

ALICE M. RIVLIN
DIRECTOR

CONGRESS OF THE UNITED STATES
CONGRESSIONAL BUDGET OFFICE
WASHINGTON, D.C.

May 13, 1976

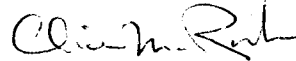
The Honorable Harrison A. Williams, Jr.
Chairman, Committee on Labor
and Public Welfare
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for the Arts, Humanities, and Cultural Affairs Act of 1976.

Should the Committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,



Alice M. Rivlin
Director

Attachment

CONGRESSIONAL BUDGET OFFICE

COST ESTIMATE

1. BILL NUMBER: Not Yet Assigned
2. BILL TITLE: Arts, Humanities, and Cultural Affairs Act of 1976
3. PURPOSES OF BILL: (1) Amend and extend the National Foundation on the Arts and Humanities Act of 1965; (2) Provide for the improvement of museum services; (3) Provide for cultural challenge programs, an arts education program, and an American Bicentennial Photographic and Film Project; and for other purposes.

4. COST ESTIMATE: (\$ in millions)

The estimated budget impact of this proposed legislation is presented below:

<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>
150	255	295	300	120	30

5. BASIS FOR ESTIMATE: This estimate is based on the authorization levels, where stated in the bill, legislative intent where the authorization is "such sums as may be necessary", and National Foundation on the Arts and Humanities projections of outlays.

For FY 79-80, where such sums as may be necessary have been authorized, the legislative intent is that at least \$300 million be authorized during that period. Outlays for all the authorizations are estimated to be spent out at 60 percent the first year, 30 percent the second year, and 10 percent during the third year. The table below delineates authorization levels and outlays.

<u>Fiscal Year</u>	<u>Authorization Levels</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>
77	250	150	75	25			
78	300		180	90	30		
79	300 (est.)			180	90	30	
80	300 (est.)				180	90	30
81		150	255	295	300	120	30
82							

Page 2

6. ESTIMATE COMPARISON: Not Applicable.
 7. PREVIOUS CBO ESTIMATE: Not Applicable.
 8. ESTIMATE PREPARED BY: Robert F. Black (225-4972)
 9. ESTIMATE APPROVED BY:

JL Blum
 James L. Blum
 Assistant Director
 for Budget Analysis

SECTION-BY-SECTION ANALYSIS

(For the purposes of this explanation the words "the Act" refer to the National Foundation on the Arts and the Humanities Act of 1965 (P.L. 89-209), as amended prior to consideration of the "Arts, Humanities and Cultural Affairs Act of 1976".)

SHORT TITLE

The first section of the bill provides that the bill may be cited as the "Arts, Humanities, and Cultural Affairs Act of 1976".

TITLE I—ARTS AND HUMANITIES

SCOPE OF PROGRAMS CARRIED OUT BY THE NATIONAL ENDOWMENT FOR THE ARTS

Section 101 amends section 5(c) of the Act so that international activities may be supported by grant or contract provided the primary purpose of such support is for the support of the arts in the United States.

ALLOTMENTS FOR PROJECTS AND PRODUCTIONS RELATING TO THE ARTS

Section 102 amends section 5(g)(4)(A) of the Act to provide that the amount of each allotment to a State for any fiscal year shall be available to each State which has a plan approved by the Chairman of the National Endowment for the Arts to pay not more than 50 percent of the total cost of any project or production described in section 5(g)(1) of the Act.

APPOINTMENT OF MEMBERS OF NATIONAL COUNCIL ON ARTS AND NATIONAL COUNCIL ON HUMANITIES

Section 103(a) amends section 6(b) of the Act to provide that the appointment of members to the National Council on the Arts made by the President shall be made by and with the advice and consent of the Senate. Section 103(b) makes an identical amendment to section 8(b) of the Act regarding the appointment of members to the National Council on the Humanities.

STATE HUMANITIES COUNCILS

Section 104(a) amends section 7 of the Act by adding a new subsection (f).

Subsection (f)(1) authorizes the Chairman of the National Endowment for the Humanities (hereinafter in this part of explanation referred to as the "Chairman"), with the advice of the National Council on the Humanities, to establish grant-in-aid programs in the several

States in order to support not more than 50 percent of the cost of existing activities meeting the standards established by section 7(c) of the Act. Such grant-in-aid programs also may assist in the development of programs in the humanities in a manner which furnishes adequate humanities programs in each of the several States.

Subsection (f)(2) provides that in order to receive assistance under this subsection in a given fiscal year, a State must submit in accordance with the laws of that State an application for such assistance at a time specified by the Chairman. It further provides that such application shall be accompanied by an annual plan in which the Chairman finds that the State—(A) designates an existing State agency having responsibility for the arts and the humanities to be the sole agency for administering the State plan; or (B) designates a State committee on the humanities or other appropriate entity as the sole agency for administering the State plan. Under (B), if applicable to a committee, the following criteria are prescribed: that, prior to its submission to the Endowment, the plan be submitted to the Governor of the State for approval; that it establish procedures for the appointment by the Governor of a majority of committee members within a three year period after the date of enactment of this Act; that the membership policy of the committee be designed so as to be broadly representative; that a nomination process be included to assure committee nominations from a variety of segments of the State; that appropriate rotation of committee members and their officers be provided; and that adequate reporting procedures be provided and procedures for public access of information be established.

The subsection further provides that the State may designate to administer the plan an existing Humanities committee, provided an appropriate grievance procedure is established by the State and provided that the criteria regarding membership, nomination, rotation of membership, reporting procedures and public access to information are met.

The subsection also prescribes that funds paid to the State will be expended solely on programs which carry out one or more of the objectives of Section 7(c), and that the State agency make such reports as the Chairman may require.

Subsection (f)(3) provides that each State which has a plan approved by the Chairman shall be allotted at least \$200,000 out of sums available to carry out subsection (f) in any fiscal year. An equal allocation among grant recipients must be made in any case in which insufficient sums are appropriated.

In any case in which sums available to carry out subsection (f) exceed the amount necessary to make allotments of \$200,000 to grant recipients (A) the amount of the excess which does not exceed 25 percent of the sums available to carry out subsection (f) for the fiscal year involved are made available to the Chairman for making grants under subsection (f) to states and regional groups; and (B) any remaining amount must be allotted among grant recipients which have plans approved by the Chairman in equal amounts, except that no grant recipient may receive less than \$200,000.

Subsection (f)(4) provides that any part of an allotment made under subsection (f)(3) for any fiscal year which exceeds \$125,000, but which does not exceed 20 percent of the allotment, is available (at the discretion of the Chairman) to pay up to 100 percent of the

cost of programs under subsection (f). This provision applies, however, only if the programs involved otherwise would not be available to residents of the State involved.

Subsection (f)(4) further provides that any amount allotted to a State under the first sentence of paragraph (3) for any fiscal year, which is not obligated by the State sixty days before the end of that fiscal year for which the sums to carry out this program are appropriated, shall be available to the Chairman for grants to regional groups, which are defined as any multi-State group, whether or not representative of contiguous States.

Subsection (f)(4) also provides that funds made available under subsection (f) may not be used to supplant non-Federal funds.

Subsection (f)(5) provides that any amounts available under subsection (f)(3) for a fiscal year which are not granted during the fiscal year shall be available to the National Endowment for the Humanities for the purpose of carrying out section 7(c) of the Act.

Subsection (f)(6) provides that whenever the Chairman, after reasonable notice and opportunity for hearing, finds that—

(1) a group is not complying substantially with the provisions of subsection (f);

(2) a State agency or State committee is not complying substantially with the terms and conditions of its plan; or

(3) any funds granted to a State agency or State committee, under subsection (f) have been diverted from the purposes for which such funds were allotted or paid;

the Chairman must notify the Secretary of the Treasury and the grant recipient involved that no further grants will be made under subsection (f) to the grant recipient until there is no longer a default or failure to comply or until the diversion of funds has been corrected. If it is impossible to achieve such compliance or correction, the Chairman is required to bar any further grants until the grant recipient repays or arranges for the repayment of any Federal funds which have been improperly diverted or expended.

Section 104(b) provides that the amendment made by section 104(a) is effective with respect to fiscal year 1977 and succeeding fiscal years.

PAYMENT OF PERFORMERS AND SUPPORTING PERSONNEL

Section 105 amends section 7 of the Act, as amended by section 104(a) of the bill, by adding a new subsection (g). Subsection (g) provides that a group, individual, State, or State agency may not receive grants under section 7 unless such group, individual, State, or State agency provides assurances to the Secretary of Labor that (1) performers and professional personnel employed on the projects or productions involved will be paid not less than the prevailing minimum compensation as determined by such Secretary; and (2) working conditions will be sanitary and will not be hazardous or dangerous to the health and safety of the employees.

Compliance with the safety and sanitary laws of the State involved is considered prima facie evidence of compliance with subsection (g). The Secretary of Labor is given authority to prescribe such standards, regulations, and procedures as he deems necessary or appropriate to carry out subsection (g). The Secretary of Labor is given authority to prescribe such standards, regulations, and procedures as he deems necessary or appropriate to carry out subsection (g).

ADMINISTRATIVE PROVISIONS WITH RESPECT TO SURPLUS PROPERTY

Section 106 amends the Act by providing that the Endowments may receive or dispose of by grant or loan excess surplus Federal personal property and makes necessary conforming changes.

AUTHORIZATION OF APPROPRIATIONS

Section 107(a) amends section 11(a)(1)(A) of the Act to authorize the following amounts in order to carry out section 5 of the Act: \$92,500,000 for fiscal year 1977; \$105,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal years 1979 and 1980. Not less than 20 percent of any such sums which are appropriated in any fiscal year shall be available for carrying out section 5(g) of the Act.

Subsection (a) also amends section 11(a)(1)(B) of the Act to authorize the following amounts to carry out section 7(c) of the Act: \$82,500,000 for fiscal year 1977; \$95,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal years 1979 and 1980. Not less than 20 percent of such sums which are appropriated in any fiscal year must be available for carrying out section 7(f) of the Act.

Subsection (a) also amends section 11(a)(2) to establish the following limitations on appropriations which may be made based on section 10(a)(2) of the Act: \$15,000,000 for fiscal year 1977; \$20,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal years 1979 and 1980.

The Subsection further provides that such sums as may be necessary are authorized to be appropriated to administer programs for which the Chairman of the National Endowment for the Arts or the Chairman of the National Endowment for the Humanities is responsible.

Section 106(b) provides that the amendments made by section 106(a) shall be effective with respect to fiscal year 1977 and succeeding fiscal years.

TITLE II—MUSEUM SERVICES PROGRAM

Section 201 provides a short title, so that this title may be cited as the "Museum Services Act."

Section 202 sets forth the purpose of the title: to assist museums in their educational role, to assist them in modernizing their methods and facilities and to ease their financial burdens as a result of increasing use by the public.

Section 203 establishes, within the National Foundation on the Arts and the Humanities, an Institute for the Improvement of Museum Services, and provides for a National Museum Services Board and a Director of the Institute.

Section 204(a) provides for a National Museum Services Board of 9 members: 3 members including and designated by the Chairman of the National Council on the Arts; 3 members including and designated by the National Council on the Humanities; and 3 members, who are not members of either Council, appointed by the President with the advice and consent of the Senate. This section further provides that the members of the Board shall be broadly representative.

Section 204(b) provides for rotation of the Board and prescribes that no appointed member shall be eligible for reappointment for more

than seven consecutive years during the three year period following such service.

Section 204(c) prescribes that the Chairman of the Board shall be designated by the President from among the members who are not members of the National Council on the Arts or the National Council on the Humanities, and that five members shall constitute a quorum.

Section 204(d) provides (1) for meetings of the Board no less than four times each year, (2) for meetings whenever determined necessary by the Director of the Institute and requested by one-third of the members, and (3) that whenever five members of the Board request a meeting in writing the Board shall meet, in which case five members shall constitute a quorum.

Section 204(e) provides for compensation of the Board who are not in the regular full-time employ of the United States at a rate not to exceed the rate applicable to a GS-18, and provides for travel expenses and per diem compensation for Board members.

Section 204(f) provides the Board with responsibility for the general policies of the Institute.

Section 204(g) requires the Board to coordinate the policies and purposes of the Institute with other activities of the Federal Government.

Section 205(a) prescribes that the Director of the Institute shall be appointed by the President by and with the advice and consent of the Senate. It provides that the Director shall be compensated at the rate provided for level V, U.S. Code, and that the Director shall perform such duties and exercise such powers as the Board may prescribe.

Section 205(b) requires the Director to advise the Board regarding policies of the Institute, in order to assure coordination with other agencies and organizations of the Federal Government concerned with the improvement of museums.

Section 206(a) authorizes the Director, subject to the management of the Board, to make grants to museums to construct or install displays and exhibitions, to assist museums in the development and maintenance of professionally-trained and experienced staff, to assist museums in meeting their administrative costs with respect to their collections and services to the public, to assist museums in cooperative endeavors with each other, to assist museums in conservation activities, and to assist museums with regard to services to such areas as urban neighborhoods, rural areas, Indian reservations, and penal and other State institutions.

Section 206(b) requires that grants made by the Institute not exceed fifty per centum of the cost of the program involved.

Section 207 authorizes the Institute to accept gifts, grants or bequests in the name of the United States and requires the Treasurer of the United States to keep account of such transactions.

Section 208(a) authorizes appropriations for grants made by the Institute as follows: \$15,000,000 for the fiscal year 1977; \$25,000,000 for the fiscal year 1978; and such sums as may be necessary for the ensuing two fiscal years.

Section 208(b) authorizes to be appropriated such sums as may be necessary to administer the provisions of this title.

Section 208(c) prescribes that sums appropriated under subsection 208(a) shall remain available until expended.

Section 208(d) authorizes the appropriation to the Institute, during the period beginning with the enactment of this Act and ending October 1, 1980, of an amount equal to the amount contributed to the Institute under Section 207.

Section 209 provides a definition for the term "museum" as including in meaning a public or private non-profit agency or institution organized on a permanent basis for educational or esthetic purposes, which utilizes a professional staff and conducts the exhibition of the tangible objects in its collection on a regular basis for the public.

Section 210 amends Section 4(a) of the National Foundation on the Arts and the Humanities Act of 1965, in order to include the Institute for the Improvement of Museum Services within the National Foundation on the Arts and the Humanities.

TITLE III—CHALLENGE GRANT PROGRAM

ESTABLISHMENT OF PROGRAM

Section 301(a) permits the Chairman of the National Endowment for the Arts, with the advice of the National Council on the Arts, to establish a program of contracts with, or grants-in-aid to, public agencies and private nonprofit organizations.

The contracts and grants-in-aid shall be for the purpose of (1) enabling cultural organizations to increase levels of support and increase the range of contributors; (2) providing administrative and management improvements for cultural organizations; (3) enabling cultural organizations to increase audience participation in, and appreciation of, programs sponsored by such organizations; (4) stimulating greater cooperation among cultural organizations; and (5) fostering greater citizen involvement in planning the cultural development of a community.

Section 301(b) limits the total amount of any payment under this title to 50 percent of the cost of the program involved, but provides that the Chairman, with the advice of the National Council on the Arts may waive up to twenty percent of the appropriated funds in any fiscal year in the case of highly meritorious proposals which could not otherwise be supported.

Section 301(c) provides that the Chairman of the National Endowment for the Arts shall, in carrying out the program, have the same authority as is established in section 10 of the Act.

Section 301(d) makes the labor standards and practices contained in the basic authorization of the Arts Endowment and contained in Section (i) and (j) of the National Foundation on the Arts and the Humanities Act of 1965 applicable to the programs to be carried out by this title.

AUTHORIZATION OF APPROPRIATIONS

Section 302 authorizes to be appropriated for each fiscal year ending before October 1, 1981, an amount equal to the amounts received by the National Endowment for the Arts for the purposes set forth in section 301(a). The amendment, however, establishes the following ceilings for such authorization: \$15,000,000 for fiscal year 1977, and \$20,000,000 for fiscal year 1978. Such sums as may be necessary are authorized for fiscal years 1979 and 1980. The amendment also provides that sums appropriated for any fiscal year shall remain available for obligation and expenditure until expended.

TITLE IV—ARTS EDUCATION PROGRAM

Section 401 sets forth the purpose of this title: to improve the quality and availability of arts education for all students by providing financial assistance for inservice training and retraining programs, demonstration projects of an exemplary nature, and the development and dissemination of appropriate information and materials on arts education.

Section 402(a) authorizes to be appropriated to carry out the provisions of this title \$10 million for fiscal year 1977, \$10 million for fiscal year 1978, and such sums as may be necessary for the ensuing two fiscal years.

Section 402(b) provides that sums appropriated pursuant to subsection (a) for any fiscal year shall remain available until expended.

Section 403(a) authorizes the Chairman of the National Endowment for the Arts, with the advice of the National Council on the Arts, to make grants to or contracts with State and local educational agencies, State arts agencies, institutes of higher education and other appropriate public or non-profit organizations to develop inservice training and retraining programs for art teachers and others involved in arts education, to conduct workshops, seminars and related activities both to develop and demonstrate outstanding arts education programs, and to collect, analyze, develop and disseminate information and materials on arts education programs.

Section 403(b) provides that the Chairman shall give appropriate preference to proposals specifying that artists and community arts resources will be utilized.

Section 403(c) provides for adequate consultation and participation, whenever practicable, with State or local educational agencies.

Section 403(d) gives the Chairman the same authority as contained in section 10 of the Act to carry out the programs under this title.

Section 404(a) provides that the Chairman of the Arts Endowment shall consult with the Commissioner of Education and with the John F. Kennedy Center for the Performing Arts through the Alliance for Arts Education in order to insure improved coordination in the arts education program assisted by this title.

Section 404(b) authorizes the Chairman to enter into cooperative programs with the National Endowment for the Humanities, the John F. Kennedy Center for the Performing Arts or the Office of Education.

TITLE V

PART A—BICENTENNIAL CHALLENGE GRANTS

Section 501(a) sets forth the findings of the Congress with respect to this Part, emphasizing that the continued vitality of our democracy depends on a renewed commitment to the principles embodied in the Constitution, that the period between the 200th anniversary of the Declaration of Independence and the like anniversary of the ratification of the Constitution is an appropriate time to determine our future goals in relation to our founding principles, and that there should be a new focus on new processes for solving our future problems.

Section 501(b) establishes as the purpose of this Part a Bicentennial Challenge Grant program giving emphasis to the strengthening of

citizen participation in the democratic process, the development of new and innovative insights to problem solving, and new approaches to encourage citizen involvement in decision-making.

Section 502(a) provides for the authorization of appropriations for this Part as follows: \$15,000,000 for fiscal year 1977; \$20,000,000 for fiscal year 1978; and such sums as may be necessary for the ensuing two fiscal years.

Section 502(b) prescribes that these sums shall remain available until expended.

Section 503(a) authorizes the Chairman of the National Endowment for the Humanities, with the advice of the National Council on the Humanities, to establish and carry out a program, including contracts and grants-in-aid, in accord with the purposes of this Part.

Section 503(b) prescribes that the total amount of payment for a program or project under this Part may not exceed fifty per centum of its cost, except as provided by Section 504.

Section 503(c) provides the Chairman with the authority contained in Section 10 of the Act, and requires the Chairman to coordinate the activities of this Part with the other activities of the National Endowment for the Humanities.

Section 503(d) makes applicable to the program authorized by this Part the fair labor standards and practices applicable to section 7(g) of the Act, as amended.

Section 504 authorizes the Chairman, with the advice of the National Council on the Humanities, to waive matching requirements under certain circumstances for meritorious projects.

Section 505 provides appropriate definitions for this Part.

PART B—AMERICAN BICENTENNIAL PHOTOGRAPHY AND FILM PROJECT

Section 521(a) states that the Congress finds that the federally supported photography projects of the 1930's created a priceless national resource, and that the time of the Bicentennial presents the opportunity to create a similar portrait, through photographs and film, of the people and communities of the United States.

Section 521(b) states that the purpose of this Part is to establish the American Bicentennial photography and film project by providing assistance to State arts agencies and with the National Endowment for the Arts serving as national coordinator for the project.

Section 522(a)(1) authorizes to be appropriated to the National Endowment for the Arts for the purposes of this Part \$5,000,000 for the fiscal year 1977, \$5,000,000 for the fiscal year 1978 and such sums as may be necessary for the ensuing two fiscal years.

Section 522(a)(2) provides that such amounts as are appropriated shall remain available until expended.

Section 522(b) provides that not more than one-fifth of the sums appropriated shall be reserved for the Arts Endowment for the purposes of section 524, and that the remainder shall be apportioned among the States, with the first \$3,000,000 allocated to the States in equal amounts, and the remaining amount on the basis of State population.

Section 523 authorizes the Arts Endowment to provide financial assistance to the State arts agencies from the sums appropriated to carry out this Part, and provides that such assistance shall apply to

appropriate essential equipment and supplies, for administrative personnel, for cataloging and processing and display of the photographs and films produced.

Section 523(b)(1) provides the Arts Endowment with authority to determine necessary application procedures.

Section 523(b)(2) prescribes that in providing financial assistance the Endowment shall give priority to promising photographers and film makers who are either unemployed or underemployed.

Section 524 prescribes that the Endowment from funds appropriated to carry out this Part pay necessary administrative costs and provide direct assistance to applicants of special merit. This section further prescribes that the Endowment assure that representative photographs and films and negatives where appropriate are made available for the permanent collection of the Library of Congress.

(7) that, in order to implement these findings, it is desirable to establish a National Foundation on the Arts and the Humanities.

DEFINITIONS

SEC. 3. (20 U.S.C. 952) As used in this Act—

(a) The term "humanities" includes, but is not limited to, the study of the following: language, both modern and classical; linguistics; literature; history; jurisprudence; philosophy; archeology; comparative religion; ethics; the history, criticism, theory, and practice of the arts; those aspects of the social sciences which have humanistic content and employ humanistic methods; and the study and application of the humanities to the human environment with particular attention to the relevance of the humanities to the current conditions of national life.

(b) The term "the arts" includes, but is not limited to, music (instrumental and vocal), dance, drama, folk art, creative writing, architecture and allied fields, painting, sculpture, photography, graphic and craft arts, industrial design, costume and fashion design, motion pictures, television, radio, tape and sound recording, the arts related to the presentation, performance, execution, and exhibition of such major art forms, and the study and application of the arts to the human environment.

(c) The term "production" means plays (with or without music), ballet, dance and choral performances, concerts, recitals, operas, exhibitions, readings, motion pictures, television, radio, and tape and sound recordings, and any other activities involving the execution or rendition of the arts and meeting such standards as may be approved by the National Endowment for the Arts established by section 5 of this Act.

(d) The term "project" means programs organized to carry out the purposes of this Act, including programs to foster American artistic creativity, to commission works of art, to create opportunities for individuals to develop artistic talents when carried on as a part of a program otherwise included in this definition, and to develop and enhance public knowledge and understanding of the arts, and includes, where appropriate, rental or purchase of facilities, purchase or rental of land, and acquisition of equipment. Such term also includes—

(1) the renovation of facilities if (A) the amount of the expenditure of Federal funds for such purpose in the case of any project does not exceed \$250,000, or (B) two-thirds of the members of the National Council on the Arts (who are present and voting) approve of the grant or contract involving an expenditure for such purpose; and

(2) the construction of facilities if (A) such construction is for demonstration purposes or under unusual circumstances where there is no other manner in which to accomplish an artistic purpose, and (B) two-thirds of the members of the National Council on the Arts (who are present and voting) approve of the grant or contract involving an expenditure for such purpose.

(e) The term "group" includes any State or other public agency, and any nonprofit society, institution, organization, association, museum, or establishment in the United States, whether or not incorporated.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES ACT OF 1965, AS AMENDED

AN ACT To provide for the establishment of the National Foundation on the Arts and the Humanities to promote progress and scholarship in the humanities and the arts in the United States, and for other purposes

DECLARATION OF PURPOSE

SEC. 2. (20 U.S.C. 951) The Congress hereby finds and declares—

(1) that the encouragement and support of national progress and scholarship in the humanities and the arts, while primarily a matter for private and local initiative, is also an appropriate matter of concern to the Federal Government;

(2) that a high civilization must not limit its efforts to science and technology alone but must give full value and support to the other great branches of man's scholarly and cultural activity in order to achieve a better understanding of the past, a better analysis of the present, and a better view of the future;

(3) that democracy demands wisdom and vision in its citizens and that it must therefore foster and support a form of education designed to make men masters of their technology and not its unthinking servant;

(4) that it is necessary and appropriate for the Federal Government to complement, assist, and add to programs for the advancement of the humanities and the arts by local, State, regional, and private agencies and their organizations;

(5) that the practice of art and the study of the humanities requires constant dedication and devotion and that, while no government can call a great artist or scholar into existence, it is necessary and appropriate for the Federal Government to help create and sustain not only a climate encouraging freedom of thought, imagination, and inquiry but also the material conditions facilitating the release of this creative talent;

(6) that the world leadership which has come to the United States cannot rest solely upon superior power, wealth, and technology, but must be solidly founded upon worldwide respect and admiration for the Nation's high qualities as a leader in the realm of ideas and of the spirit; and

(f) The term "workshop" means an activity the primary purpose of which is to encourage the artistic development or enjoyment of amateur, student, or other nonprofessional participants, or to promote scholarship and teaching among the participants.

(g) The term "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands.

ESTABLISHMENT OF A NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

SEC. 4. (20 U.S.C. 953) (a) There is established a National Foundation on the Arts and the Humanities (hereinafter referred to as the "Foundation"), which shall be composed of a National Endowment of the Arts, a National Endowment for the Humanities, and a Federal Council on the Arts and the Humanities (hereinafter established), and the Institute for the Improvement of Museum Services as established by the Arts, Humanities, and Cultural Affairs Act of 1976.

(b) The purpose of the Foundation shall be to develop and promote a broadly conceived national policy of support for the humanities and the arts in the United States pursuant to this Act.

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

ESTABLISHMENT OF THE NATIONAL ENDOWMENT FOR THE ARTS

SEC. 5. (20 U.S.C. 954) (a) There is established within the Foundation a National Endowment for the Arts.

(b) (1) The Endowment shall be headed by a chairman, to be known as the Chairman of the National Endowment for the Arts, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) The term of office of the Chairman shall be four years and the Chairman shall be eligible for reappointment. The provisions of this subsection shall apply to any person appointed to fill a vacancy in the office of Chairman. Upon expiration of his term of office the Chairman shall serve until his successor shall have been appointed and shall have qualified.

(c) The Chairman, with the advice of the National Council on the Arts, is authorized to establish and carry out a program of contracts with, or grants-in-aid to, groups or, in appropriate cases, individuals of exceptional talent engaged in or concerned with the arts, for the purpose of enabling them to provide or support in the United States (except that grants and contracts may be made to include international activities provided that the primary purpose of such grants and contracts is to support the arts in the United States)—

(1) projects and productions which have substantial artistic and cultural significance, giving emphasis to American creativity and maintenance and encouragement of professional excellence;

(2) projects and productions, meeting professional standards

or standards of authenticity, irrespective of origin, which are of significant merit and which, without such assistance, would otherwise be unavailable to our citizens for geographic or economic reasons;

(3) projects and productions that will encourage and assist artists and enable them to achieve wider distribution of their works, to work in residence at an educational or cultural institution, or to achieve standards of professional excellence;

(4) workshops that will encourage and develop the appreciation and enjoyment of the arts by our citizens;

(5) other relevant projects, including surveys, research, planning, and publications relating to the purposes of this subsection. In the case of publications under clause (5) of this subsection such publications may be supported without regard for the provisions of section 501 of title 44, United States Code, only if the Chairman consults with the Joint Committee on Printing of the Congress and the Chairman submits to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives a report justifying any exemption from such section 501.

(d) No payment may be made to any group under this section except upon application therefor which is submitted to the National Endowment for the Arts in accordance with regulations and procedures established by the Chairman.

(e) The total amount of any grant to any group pursuant to subsection (c) of this section shall not exceed 50 per centum of the total cost of such project or production, except that not more than 20 per centum of the funds allotted by the National Endowment for the Arts for the purposes of subsection (c) for any fiscal year may be available for grants and contracts in that fiscal year without regard to such limitation.

(f) Any group shall be eligible for financial assistance pursuant to this section only if (1) no part of its net earnings inures to the benefit of any private stockholder or stockholders, or individual or individuals, and (2) donations to such group are allowable as a charitable contribution under the standards of subsection (c) of section 170 of the Internal Revenue Code of 1954.

(g) (1) The Chairman, with the advice of the National Council on the Arts, is authorized to establish and carry out a program of grants-in-aid to assist the several States in supporting existing projects and productions which meet the standards enumerated in section 5(c) of this Act, and in developing projects and productions in the arts in such a manner as will furnish adequate programs, facilities, and services in the arts to all the people and communities in each of the several States.

(2) In order to receive assistance under this subsection in any fiscal year, a State shall submit an application for such grants at such time as shall be specified by the Chairman and accompany such applications with a plan which the Chairman finds—

(A) designates or provides for the establishment of a State agency (hereinafter in this section referred to as the "State agency") as the sole agency for the administration of the State plan, except that in the case of the District of Columbia the Recreation Board, or any successor designated for the purpose of this Act by

the Commissioner of the District of Columbia, shall be the "State agency";

(B) provides that funds paid to the State under this subsection will be expended solely on projects and productions approved by the State agency which carry out one or more of the objectives of subsection (c); and

(C) provides that the State agency will make such reports, in such form and containing such information, as the Chairman may from time to time require.

(3) Of the sums available to carry out this subsection for any fiscal year, each State which has a plan approved by the Chairman shall be allotted at least \$200,000. If the sums appropriated are insufficient to make the allotments under the preceding sentence in full, such sums shall be allotted among such States in equal amounts. In any case where the sums available to carry out this subsection for any fiscal year are in excess of the amount required to make the allotments under the first sentence of this paragraph—

(A) the amount of such excess which is no greater than 25 per centum of the sums available to carry out this subsection for any fiscal year shall be available only to the Chairman for making grants under this subsection to States and regional groups, and

(B) the amount of such excess, if any, which remains after reserving full for the Chairman the amount required under clause (A) shall be allotted among the States which have plans approved by the Chairman in equal amounts.

but in no event shall any State be allotted less than \$200,000.

(4) (A) *The amount of each allotment to a State for any fiscal year under this subsection shall be available to each State, which has a plan approved by the Chairman in effect on the first day of such fiscal year, to pay not more than 50 per centum of the total cost of any project or production described in paragraph (1). The amount of any allotment made under paragraph (3) for any fiscal year which exceeds \$125,000 shall be available, at the discretion of the Chairman, to pay up to 100 per centum of such cost of projects and productions if such project and productions would otherwise be unavailable to the residents of that State: Provided, That the total amount of any such allotment for any fiscal year which is exempted from such 50 per centum limitation shall not exceed 20 per centum of the total of such allotment for such fiscal year.*

(B) Any amount allotted to a State under the first sentence of paragraph (3) for any fiscal year which is not obligated by the State prior to 60 days prior to the end of the fiscal year for which such sums are appropriated shall be available for making grants to regional groups.

(C) Funds made available under this subsection shall not be used to supplant non-Federal funds.

(D) For the purpose of paragraph (3) and paragraph (4) of this section the term "regional group" means any multistate group, whether or not representative of contiguous States."

(5) All amounts allotted or made available under paragraph (3) for a fiscal year which are not granted to a State during such year shall be available at the end of such year to the National Endowment for the Arts for the purpose of carrying out section 5(c).

(h) Whenever the Chairman, after reasonable notice and opportunity for hearing, finds that—

(1) a group is not complying substantially with the provisions of this section;

(2) a State agency is not complying substantially with the terms and conditions of its State plan approved under this section; or

(3) any funds granted to a group or State agency under this section have been diverted from the purposes for which they were allotted or paid,

the Chairman shall immediately notify the Secretary of the Treasury and the group or State agency with respect to which such finding was made that no further grants will be made under this section to such group or agency until there is no longer any default or failure to comply or the diversion has been corrected, or, of compliance or correction is impossible, until such group or agency repays or arranges the repayment of the Federal funds which have been improperly diverted or expended.

(i) It shall be a condition of the receipt of any grant under this section that the group or individual of exceptional talent or the State or State agency receiving such grant furnish adequate assurances to the Secretary of Labor that (1) all professional performers and related or supporting professional personnel (other than laborers and mechanics with respect to whom labor standards are prescribed in subsection (j) of this section) employed on projects or productions which are financed in whole or in part under this section will be paid, without subsequent deduction or rebate on any account, not less than the minimum compensation as determined by the Secretary of Labor to be the prevailing minimum compensation for persons employed in similar activities; and (2) no part of any project or production which is financed in whole or in part under this section will be performed or engaged in under working conditions which are unsanitary or hazardous or dangerous to the health and safety of the employees engaged in such project or production. Compliance with the safety and sanitary laws of the State in which the performance or part thereof is to take place shall be prima facie evidence of compliance. The Secretary of Labor shall have the authority to prescribe standards, regulations, and procedures as he may deem necessary or appropriate to carry out the provisions of this subsection.

(j) It shall be a condition of the receipt of any grant under this section that the group or individual of exceptional talent or the State or State agency receiving such grant furnish adequate assurances to the Secretary of Labor that all laborers and mechanics employed by contractors or subcontractors on construction projects assisted under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to the labor standards specified in this subsection the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

(k) The Chairman shall correlate the programs of the National Endowment for the Arts insofar as practicable, with existing Federal

programs and with those undertaken by other public agencies or private groups, and shall develop the programs of the Endowment with due regard to the contribution to the objectives of this Act which can be made by other Federal agencies under existing programs.

NATIONAL COUNCIL ON THE ARTS

SEC. 6. (20 U.S.C. 955) (a) There shall be, within the National Endowment for the Arts, a National Council on the Arts (hereinafter in this section referred to as the "Council").

(b) The Council shall be composed of the Chairman of the National Endowment for the Arts, who shall be Chairman of the Council, and twenty-six other members appointed by the President, *by and with the advice and consent of the Senate*, who shall be selected—

(1) from among private citizens of the United States who are widely recognized for their broad knowledge of, or expertise in, or for their profound interest in, the arts;

(2) so as to include practicing artists, civic cultural leaders, members of the museum profession, and others who are professionally engaged in the arts; and

(3) so as collectively to provide an appropriate distribution of membership among the major art fields.

The President is requested, in the making of such appointments, to give consideration to such recommendations as may, from time to time, be submitted to him by leading national organizations in these fields.

(c) Each member shall hold office for a term of six years, and the terms of office shall be staggered. No member shall be eligible for reappointment during the two-year period following the expiration of his term. Any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed.

(d) The Council shall meet at the call of the Chairman but not less often than twice during each calendar year. Fourteen members of the Council shall constitute a quorum.

(e) Members shall receive compensation at a rate to be fixed by the Chairman but not to exceed the per diem equivalent of the rate authorized for grade GS-18 by section 5332 of title 5 of the United States Code and be allowed travel expenses including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

(f) The Council shall (1) advise the Chairman with respect to policies, programs, and procedures for carrying out his functions, duties, or responsibilities under this Act, and (2) review applications for financial assistance under this Act and make recommendations thereon to the Chairman. The Chairman shall not approve or disapprove any such application until he has received the recommendation of the Council on such application, unless the Council fails to make a recommendation thereon within a reasonable time. In the case of an application involving \$17,500, or less, the Chairman may approve or disapprove such request if such action is taken pursuant to the terms of a delegation of authority from the Council to the Chairman, and provided that each such action by the Chairman shall be reviewed by the Council; *Provided*, That the terms of any such delegation of authority shall not

permit obligations for expenditure of funds under such delegation for any fiscal year which exceed an amount equal to 10 per centum of the sums appropriated for that fiscal year pursuant to subparagraph (A) of paragraph (1) of section 11(a).

ESTABLISHMENT OF THE NATIONAL ENDOWMENT FOR THE HUMANITIES

SEC. 7. (20 U.S.C. 956) (a) There is established within the Foundation a National Endowment for the Humanities.

(b) (1) The Endowment shall be headed by a chairman, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) The term of office of the Chairman shall be four years, and the Chairman shall be eligible for reappointment. The provisions of this paragraph shall apply to any person appointed to fill a vacancy in the office of the Chairman. Upon expiration of his term of office the Chairman shall serve until his successor shall have been appointed and shall have qualified.

(c) The Chairman with the advice of the National Council on the Humanities (hereinafter established), is authorized to—

(1) develop and encourage the pursuit of a national policy for the promotion of progress and scholarship in the humanities;

(2) initiate and support research and programs to strengthen the research and teaching potential of the United States in the humanities by making arrangements (including contracts, grants, loans, and other forms of assistance) with individuals of groups to support such activities; any loans made by the Endowment shall be made in accordance with terms and conditions approved by the Secretary of the Treasury;

(3) award fellowships and grants to institutions or individuals for training and workshops in the humanities. Fellowships awarded to individuals under this authority may be for the purpose of study or research at appropriate nonprofit institutions selected by the recipient of such aid, for stated periods of time;

(4) foster the interchange of information in the humanities;

(5) foster, through grants or other arrangements with groups, education in, and public understanding and appreciation of the humanities;

(6) support the publication of scholarly works in the humanities; and

(7) insure that the benefit of its programs will also be available to our citizens where such programs would otherwise be unavailable due to geographic or economic reasons.

In the case of publications under clause (6) of this subsection such publications may be supported without regard for the provisions of section 501 of title 44, United States Code, only if the Chairman consults with the Joint Committee on Printing of the Congress and the Chairman submits to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives a report justifying any exemption from such section 501.

(d) The Chairman shall correlate the programs of the National Endowment for the Humanities, insofar as practicable, with existing Federal programs and with those undertaken by other public agencies

or private groups, and shall develop the programs of the Endowment with due regard to the contribution to the objectives of this Act which can be made by other Federal agencies under existing programs.

(e) The total amount of any grant under subsection (c) (3) to any group engaging in workshop activities for which an admission or other charge is made to the general public shall not exceed 30 per centum of the total cost of such activities.

(f) (1) *The Chairman, with the advice of the National Council on the Humanities, is authorized to establish and carry out a program of grants-in-aid to assist the several States in supporting not more than 50 per centum of the costs of existing activities which meet the standards enumerated in subsection (c), and in developing projects in the humanities in such a manner as will furnish adequate programs in the humanities in each of the several States.*

(2) *In order to receive assistance under this subsection in any fiscal year, a State, in accordance with the laws of that State, shall submit an application for such grants at such time as the Chairman shall specify. Each such application shall be accompanied by an annual plan in which the Chairman finds that the State—*

(A) designates an existing State agency having responsibility for the arts and the humanities to be the sole agency for administering the State plan; or

(B) designates a State committee on the humanities or some other appropriate entity to be the sole agency for administering the State plan if the plan—

(i) is submitted for the approval of the Governor of the State or his designee, prior to submitting it to the Chairman;

(ii) establishes procedures under which the Governor will appoint a majority of the members of the committee within three years after the date of enactment of the Arts, Humanities, and Cultural Affairs Act of 1976;

(iii) establishes a membership policy designed to assure broad public representation on the committee;

(iv) provides a nomination process which assures opportunities for nomination to membership on the committee from a variety of segments of the population of the State;

(v) provides for the rotation of committee membership and committee officers on a regular basis;

(vi) establishes adequate reporting procedures designed to inform the Governor of the State and other appropriate State agencies of the activities of the committee; and

(vii) establishes procedures for public access to information about the activities of the committee; or

(C) designates as the sole administrator of the State plan the State Humanities Committee in existence on the date of enactment of the Arts, Humanities, and Cultural Affairs Act of 1976, which has submitted assurances that—

(i) the State has established independent procedures under which an individual may file with the Governor, or his designee, a legitimate grievance regarding the activities or plans of the State Humanities Committee, for review, and if deemed appropriate by the Governor, or his designee, a hearing to resolve such grievance; and

(ii) the provisions set forth in subclauses (iii) through (vii) of clause (B) of this paragraph are met; and

(D) provides that funds paid to the State under this subsection will be expended solely on programs, approved by the State agency in the case of States designating under clause (A) of this paragraph or by the State committee in the case of States designating under clause (B) or clause (C) of this paragraph, which carry out one or more of the objectives of subsection (c); and

(E) provides that the State agency, in the case of a State designating under clause (A) of this paragraph, or the State committee in the case of a State designating under clause (B) or clause (C) of this paragraph, will make such reports, in such form, and containing such information, as the Chairman may require.

(3) *Of the sums available to carry out this subsection for any fiscal year, each State which has a plan approved by the Chairman shall be allotted at least \$200,000. If the sums appropriated are insufficient to make the allotments under the preceding sentence in full, such sums shall be allotted among such States in equal amounts. In any case where the sums available to carry out this subsection for any fiscal year are in excess of the amount required to make the allotments under the first sentence of this paragraph—*

(A) the amount of such excess which is no greater than 25 per centum of the sums available to carry out this subsection for any fiscal year shall be available to the Chairman for making grants under this subsection to States and regional groups; and

(B) the amount of such excess, if any, which remains after reserving in full for the Chairman the amount required under clause (A) shall be allotted among the States which have plans approved by the Chairman in equal amounts, but in no event shall any State be allotted less than \$200,000.

(4) *(A) That part of any allotment made under paragraph (3) for any fiscal year—*

(i) which exceeds \$125,000, but

(ii) which does not exceed 20 per centum of such allotment, shall be available, at the discretion of the chairman, to pay up to 100 per centum of the cost of programs under this subsection if such programs would otherwise be unavailable to the residents of that State.

(B) Any amount allotted to a State under the first sentence of paragraph (3) for any fiscal year which is not obligated by the State prior to sixty days prior to the end of the fiscal year for which such sums are appropriated shall be available to the Chairman for making grants to regional groups.

(C) Funds made available under this subsection shall not be used to supplant non-Federal funds.

(D) For the purposes of paragraph (3) and this paragraph, the term "regional group" means any multi-State group, whether or not representative of contiguous States.

(5) All amounts allotted or made available under paragraph (3) for a fiscal year which are not granted to a State during such year shall be available to the National Endowment for the Humanities for the purpose of carrying out section 7(c).

(6) Whenever the Chairman, after reasonable notice and opportunity for hearing, finds that—

(A) a group is not complying substantially with the provisions of this section;

(B) a State agency or a State committee, as the case may be, is not complying substantially with terms and conditions of its State plan approved under this section; or

(C) any funds granted to a group, State agency, or State committee under this section have been diverted from the purposes for which they are allotted or paid, the Chairman shall immediately notify the Secretary of the Treasury and the group, State agency, or State committee with respect to which such finding was made that no further grants will be made under this section to such group, agency, or committee, until there is no longer a default or failure to comply or the diversion has been corrected, or, if the compliance or correction is impossible, until such group, or agency, or committee repays or arranges the repayment of the Federal funds which have been improperly diverted or expended.

(g) It shall be a condition of the receipt of any grant under this section that the group or individual or the State or State agency receiving such grant furnish adequate assurances to the Secretary of Labor that (1) all professional performers and related or supporting professional personnel employed on projects or productions which are financed in whole or in part under this section will be paid, without subsequent deduction or rebate on any account, not less than the minimum compensation as determined by the Secretary of Labor to be the prevailing minimum compensation for persons employed in similar activities; and (2) no part of any project or production which is financed in whole or in part under this section will be performed or engaged in under working conditions which are unsanitary or hazardous or dangerous to the health and safety of the employees engaged in such project or production. Compliance with the safety and sanitary laws of the State in which the performance or part thereof is to take place shall be prima facie evidence of compliance. The Secretary of Labor shall have the authority to prescribe standards, regulations, and procedures as he may deem necessary or appropriate to carry out the provisions of this subsection.

ESTABLISHMENT OF THE NATIONAL COUNCIL ON THE HUMANITIES

SEC. 8. (20 U.S.C. 957) (a) There is established in the National Endowment for the Humanities a National Council on the Humanities.

(b) The Council shall be composed of the Chairman of the National Endowment on the Humanities, who shall be the Chairman of the Council, and twenty-six other members appointed by the President, *by and with the advice and consent of the Senate*, from private life. Such members shall be selected on the basis of distinguished service and scholarship or creativity and in a manner which will provide a comprehensive representation of the views of scholars and professional practitioners in the humanities and of the public throughout the United States. The President is requested in the making of such appointments to give consideration to such recommendations as may from time to time be submitted to him by leading national organizations concerned with the humanities.

(c) Each member shall hold office for a term of six years, except that (1) the members first taking office shall serve, as designated by

the President, nine for terms of two years, nine for terms of four years, and eight for terms of six years, and (2) any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed. No member shall be eligible for reappointment during the two-year period following the expiration of his term.

(d) The Council shall meet at the call of the Chairman but not less often than twice during each calendar year. Fourteen members shall constitute a quorum.

(e) Members shall receive compensation at a date to be fixed by the Chairman but not to exceed the per diem equivalent of the rate authorized for grade GS-18 by section 5332 of title 5 of the United States Code and be allowed travel expenses including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

(f) The Council shall (1) advise the Chairman with respect to policies, programs, and procedures for carrying out his functions, and (2) shall review applications for financial support and make recommendations thereon to the Chairman. The Chairman shall not approve or disapprove any such application until he has received the recommendation of the Council on such application, unless the Council fails to make a recommendation thereon within a reasonable time. In the case of any application involving \$17,500, or less, the Chairman may approve or disapprove such request if such action is taken pursuant to the terms of a delegation of authority from the Council to the Chairman, and provided that each such action by the Chairman shall be reviewed by the Council: *Provided*, That the terms of any such delegation of authority shall not permit obligations for expenditure of funds under such delegation for any fiscal year which exceed an amount equal to 10 per centum of the sums appropriated for that fiscal year pursuant to subparagraph (B) of paragraph (1) of section 11(a).

ESTABLISHMENT OF THE FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES

SEC. 9. (20 U.S.C. 958) (a) There is established within the Foundation a Federal Council on the Arts and the Humanities.

(b) The Council shall be composed of the Chairman of the National Endowment for the Arts, the Chairman of the National Endowment for the Humanities, the United States Commissioner of Education, the Secretary of the Smithsonian Institution, the Director of the National Science Foundation, the Librarian of Congress, the Director of the National Gallery of Art, the Chairman of the Commission of Fine Arts, the Archivist of the United States, the Commissioner, Public Buildings Service, General Services Administration, a member designated by the Secretary of State, a member designated by the Secretary of the Interior, a member designated by the Chairman of the Senate Commission on Art and Antiquities, and a member designated by the Speaker of the House. The President shall designate the Chairman of the Council from among the members. The President is authorized to change the membership of the Council from time to time as he deems necessary to meet changes in Federal programs or executive branch organization.

(c) The Council shall—

(1) advise and consult with the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities on major problems arising in carrying out the purposes of the Foundation;

(2) coordinate, by advice and consultation, so far as is practicable, the policies and operations of the National Endowment for the Arts and the National Endowment for the Humanities, including joint support of activities, as appropriate;

(3) promote coordination between the programs and activities of the Foundation and related programs and activities of other Federal agencies; and

(4) plan and coordinate appropriate participation (including production and projects) in major and historic national events.

ADMINISTRATIVE PROVISIONS

SEC. 10. (20 U.S.C. 959) (a) In addition to any authorities vested in them by other provisions of this Act, the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities, in carrying out their respective functions, shall each have authority—

(1) to prescribe such regulations as he deems necessary governing the manner in which his functions shall be carried out;

(2) in the discretion of the Chairman of an Endowment, after receiving the recommendation of the National Council of that Endowment, to receive money and other property donated, bequeathed, or devised to that Endowment with or without a condition or restriction, including a condition that the Chairman use other funds of that Endowment for the purposes of the gift, except that a Chairman may receive a gift without a recommendation from the Council to provide support for any application or project which can be approved without Council recommendation under the provisions of sections 6(f) and 8(f), and may receive a gift of \$15,000, or less, without Council recommendation in the event the Council fails to provide such recommendation within a reasonable period of time; and to use, sell, or otherwise dispose of such property for the purpose of carrying out sections 5(c) and 7(c);

(3) to appoint employees, subject to the civil service laws, as necessary to carry out his functions, define their duties, and supervise and direct their activities;

(4) to utilize from time to time, as appropriate, experts and consultants, including panels of experts, who may be employed as authorized by section 15 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 55a): *Provided, however,* That any advisory panel appointed to review or make recommendations with respect to the approval of applications or projects for funding shall have broad geographic representation;

(5) to accept and utilize the services of voluntary and uncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by law (5 U.S.C. 73b-2) for persons in the Government service employed without compensation;

(6) to receive and dispose of by grant or loan excess and surplus Federal personal property of all kinds without regard to the Federal Property and Administrative Services Act of 1949 for the purpose of carrying out sections 5(c) and 7(c);

[(6)](7) to make advance, progress, and other payments without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529);

[(7)](8) to rent office space in the District of Columbia; and

[(8)](9) to make other necessary expenditures.

In any case in which any money or other property is donated, bequeathed, or devised to the Foundation (A) without designation of the Endowment for the benefit of which such property is intended, and (B) without condition or restriction other than it be used for the purposes of the Foundation, such property shall be deemed to have been donated, bequeathed, or devised in equal shares to each Endowment and each Chairman of an Endowment shall have authority to receive such property. In any case in which any money or other property is donated, bequeathed, or devised to the Foundation with a condition or restriction, such property shall be deemed to have been donated, bequeathed, or devised to that Endowment whose function it is to carry out the purpose or purposes described or referred to by the terms of such condition or restriction, and each Chairman of an Endowment shall have authority to receive such property. For the purposes of the preceding sentence, if one or more of the purposes of such a condition or restriction is covered by the functions of both Endowments, or if some of the purposes of such a condition or restriction are covered by the functions of one Endowment and other of the purposes of such a condition or restriction are covered by the functions of the other Endowment, the Federal Council on the Arts and the Humanities shall determine an equitable manner for distribution between each of the Endowments of the property so donated, bequeathed, or devised. For the purpose of the income tax, gift tax, and estate tax laws of the United States, any money or other property donated, bequeathed, or devised to the Foundation or one of its Endowments and received by the Chairman of an Endowment pursuant to authority derived under this subsection shall be deemed to have been donated, bequeathed, or devised to or for the use of the United States.

(b) The Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities shall each submit an annual report to the President for transmittal to the Congress on or before the 15th day of January of each year. The report shall summarize the activities of the Endowment for the preceding year, and may include such recommendations as the Chairman deems appropriate.

(c) The National Council on the Arts and the National Council on the Humanities, respectively, may each submit an annual report to the President for transmittal to the Congress on or before the 15th day of January of each year setting forth a summary of its activities during the preceding year or its recommendations for any measures which it considers necessary or desirable.

AUTHORIZATION OF APPROPRIATIONS

§SEC. 11. (a) (1) (A) For the purpose of carrying out section 5(c), there are authorized to be appropriated to the National Endowment for the Arts, \$54,000,000 for the fiscal year ending June 30, 1974, \$90,000,000 for the fiscal year ending June 30, 1975, and \$113,500,000 for the fiscal year ending June 30, 1976. For the purpose of carrying out section 5(g), there are authorized to be appropriated to the National Endowment for the Arts \$11,000,000 for the fiscal year ending June 30, 1974. Not less than 20 per centum of the funds appropriated under the first sentence of this paragraph for the fiscal years ending June 30, 1975, and June 30, 1976, may be used only for the purpose of carrying out section 5(g).】

Sec. 11. (a) (1) (A) For the purpose of carrying out section 5, there are authorized to be appropriated \$92,500,000 for fiscal year 1977, and \$105,000,000 for fiscal year 1978, and such sums as may be necessary for the fiscal years 1979 and 1980. Of the sums so appropriated for any fiscal year, not less than 20 per centum shall be for carrying out section 5(g).

(B) For the purposes of carrying out section 7(c), there are authorized to be appropriated to the National Endowment for the Humanities【\$65,000,000 for the fiscal year ending June 30, 1974, \$90,000,000 for the fiscal year ending June 30, 1975, and \$113,500,000 for the fiscal year ending June 30, 1976.】

\$82,500,000 for fiscal year 1977, and \$95,000,000 for fiscal year 1978, and such sums as may be necessary for the fiscal years 1979 and 1980. Of the sums so appropriated for any fiscal year, not less than 20 per centum shall be for carrying out section 7(f).

(2) There are authorized to be appropriated for each fiscal year ending prior to 【July 1, 1976】 *October 1, 1981*, to the National Endowment for the Arts and to the National Endowment for the Humanities, an amount equal to the total amounts received by each Endowment under section 10(a) (2), except that the amount so appropriated for any fiscal year shall not exceed 【the following limitations:

【(A) for the fiscal year ending June 30, 1974, \$15,000,000.

【(B) For the fiscal year ending June 30, 1975, \$20,000,000.

【(C) For the fiscal year ending June 30, 1976, \$25,000,000.】

\$15,000,000 for the fiscal year ending September 30, 1977, \$20,000,000 for the fiscal year ending September 30, 1978, and such sums as may be necessary for the fiscal years ending September 30, 1979, and September 30, 1980.

(b) (1) Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation and expenditure until expended.

(2) In order to afford adequate notice to interested persons of available assistance under this Act, appropriations authorized under subsection (a) are authorized to be included in the measure making appropriations for the fiscal year preceding the fiscal year for which such appropriations become available for obligation.

(c) There are authorized to be appropriated such sums as may be necessary to administer the provisions of this Act, *or any other program for which the Chairman of the National Endowment for the Arts or the Chairman of the National Endowment for the Humanities is responsible.*

(d) No grant shall be made to a workshop (other than a workshop conducted by a school, college, or university) for a production for which a direct or indirect admission charge is asked if the proceeds, after deducting reasonable costs, are used for purposes other than assisting the grantee to develop high standards of artistic excellence or encourage greater appreciation of the arts and humanities by our citizens.

SEC. 12. (20 U.S.C. 961) (This section was repealed by Public Law 91-230, 84 Stat. 121, April 13, 1970.)

SEC. 13. (20 U.S.C. 962) (This section was repealed by Public Law 93-133, 87 Stat. 466, October 19, 1973.)

SEC. 14. (20 U.S.C. 963) (This section was repealed by Public Law 93-133, 87 Stat. 466, October 19, 1973)

The following Titles of the Arts, Humanities, and Cultural Affairs Act of 1976, while they do not make changes in existing law, are related to the activities of the National Foundation on the Arts and the Humanities:

TITLE II—MUSEUM SERVICES PROGRAM

SHORT TITLE

SEC. 201. This title may be cited as the "Museum Services Act".

PURPOSE

SEC. 202. It is the purpose of this title to encourage and assist museums in their educational role so that they may better serve the communities in which they are located; to assist museums in modernizing their methods and facilities so that they may better be able to conserve our cultural, historic, and scientific heritage; and to ease the financial burden borne by museums as a result of their increasing use by the public.

INSTITUTE FOR THE IMPROVEMENT OF MUSEUM SERVICES

SEC. 203. There is established, within the National Foundation on the Arts and the Humanities, an Institute for the Improvement of Museum Services. The Institute shall consist of a National Museum Services Board and a Director of the Institute.

NATIONAL MUSEUM SERVICES BOARD

SEC. 204. (a) The Board shall consist of nine members as follows:

(1) The Chairman of the National Council on the Arts, and two members of the National Council on the Arts selected by the Chairman.

(2) The Chairman of the National Council on the Humanities, and two members of the National Council on the Humanities selected by the Chairman.

(3) Three members who are not members of the National Council on the Arts or the National Council on the Humanities appointed by the President, by and with the advice and consent of the Senate.

The appointed members of the Board shall be broadly representative of curatorial, education, and cultural resources of the United States and of the general public.

(b) The term of office of appointed members of the Board shall be five years, except that—

(50)

(1) any such member appointed to fill a vacancy shall serve only such portion of a term as shall not have been expired at the time of such appointment; and

(2) in the case of initial members, one shall serve for a term of five years, one shall serve for a term of three years, and one shall serve for a term of one year.

Any appointed member who has been a member of the Board for more than seven consecutive years shall thereafter be ineligible for reappointment to the Board during the three-year period following the expiration of the last such consecutive year.

(c) The Chairman of the Board shall be designated by the President from among the members of the Board who are not also members of the National Council on the Arts or the National Council on the Humanities. Five members of the Board shall constitute a quorum.

(d) The Board shall meet at the call of the Chairman except that—

(1) the Board shall meet not less than four times each year;

(2) whenever the Director determines that a meeting of the Board is necessary, and whenever one-third of the total number of members request a meeting in writing, the Board shall meet in which event one-half of the total number of members shall constitute a quorum; and

(3) whenever five of the members request a meeting in writing, it shall meet, in which event five of the members shall constitute a quorum.

(e) Members of the Board who are not in the regular full-time employ of the United States shall receive, while engaged in the business of the Board, compensation for service at a rate to be fixed by the President, except that such rate shall not exceed the rate specified at the time of such service for grade GS-18 in section 5332 of title 5, United States Code, including traveltime, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed in Government service.

(f) The Board shall have the responsibility for the general policies with respect to the power, duties, and authorities vested in the Institute under this title. The Director shall make available to the Board such information and assistance as may be necessary to enable the Board to carry out its functions.

(g) The Board shall, with the advice of the Director, take steps to assure that the policies and the purposes of the Institute are well coordinated with other activities of the Federal Government.

DIRECTOR OF THE INSTITUTE

SEC. 205 (a) The Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. The Director shall be compensated at the rate provided for level V, United States Code, and shall perform such duties and exercise such powers as the Board may prescribe.

(b) The Director shall advise the Board regarding policies of the Institute to assure coordination of the Institute's activities with other

agencies and organizations of the Federal Government having interest in and responsibilities for the improvement of museums. Such Government agencies shall include but are not limited to the National Endowment for the Arts, National Endowment for the Humanities, National Science Foundation, the Department of Health, Education and Welfare, Library of Congress, and the Smithsonian Institution and related organizations.

ACTIVITIES OF THE INSTITUTE

SEC. 206. (a) The Director, subject to the management of the Board, is authorized to make grants to museums to increase and improve museum service, through such activities as—

(1) projects to enable museums to construct or install displays, interpretations, and exhibitions in order to improve their services to the public;

(2) assisting them in developing and maintaining professionally trained or otherwise experienced staff to meet their needs;

(3) assisting them to meet their administrative costs in preserving and maintaining their collections, exhibiting them to the public, and providing educational programs to the public through the use of their collections;

(4) assisting museums in cooperation with each other in the development of traveling exhibitions, meeting transportation costs, and identifying and locating collections available for loan;

(5) assisting them in conservation of artifacts and art objects; and

(6) developing and carrying out specialized programs for specific segments of the public such as programs for urban neighborhoods, rural areas, Indian reservations, penal and other State institutions.

(b) Grants under this section for any fiscal year may not exceed 50 per centum of the cost of the program for which the grant is made.

CONTRIBUTIONS

SEC. 207. The Institute shall have authority to accept, in the name of the United States, grants, gifts, or bequests of money for immediate disbursement in furtherance of the functions of the Institute. Such grants, gifts, or bequests, after acceptance by the Institute, shall be paid by the donor or his representative to the Treasurer of the United States whose receipt shall be their acquittance. The Treasurer of the United States shall enter them in a special account to the credit of the Institute for the purposes in each case specified.

AUTHORIZATION OF APPROPRIATIONS

SEC. 208. (a) For the purpose of making grants under section 206(a), there are authorized to be appropriated \$15,000,000 for the fiscal year 1977, \$25,000,000 for the fiscal year 1978, and such sums as may be necessary for each of the fiscal years 1979 and 1980.

(b) There are authorized to be appropriated such sums as may be necessary to administer the provisions of this title.

(c) Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation and expenditure until expended.

(d) For the purpose of enabling the Institute to carry out its functions under this title, during the period beginning on the date of enactment of this Act and ending October 1, 1980, there is authorized to be appropriated an amount equal to the amount contributed during such period to the Institute under section 207.

DEFINITION

SEC. 209. For the purpose of this title, the term—

(1) "Board" means the National Museum Services Board established under section 203;

(2) "Director" means the Director of the Institute established under section 203;

(3) "Institute" means the Institute for the Improvement of Museum Services established under section 203; and

(4) "museum" means a public or private nonprofit agency or institution organized on a permanent basis for essentially educational or esthetic purposes, which, utilizing a professional staff, owns and utilizes tangible objects, cares for them, and exhibits them to the public on a regular basis.

SEC. 210. Section 4(a) of the National Foundation on the Arts and the Humanities Act of 1965 (Public Law 89-209) is amended to read as follows:

"Sec. 4(a) There is established a National Foundation on the Arts and the Humanities (hereinafter referred to as the 'Foundation'), which shall be composed of a National Endowment for the Arts, a National Endowment for the Humanities, a Federal Council on the Arts and the Humanities (hereinafter established), and the Institute for the Improvement of Museum Services as established by the Arts, Humanities and Cultural Affairs Act of 1976."

TITLE III—CULTURAL CHALLENGE PROGRAM

PROGRAM AUTHORIZED

SEC. 301. (a) The Chairman of the National Endowment for the Arts, with the advice of the National Council on the Arts, is authorized, in accordance with the provisions of this title, to establish and carry out a program of contracts with, or grants-in-aid to, public agencies and nonprofit organizations for the purposes of—

(1) enabling cultural organizations and institutions to increase the levels of continuing support and to increase the range of contributors to the program of such organizations or institutions;

(2) providing administrative and management improvements for cultural organizations and institutions particularly in the field of long-range financial planning;

(3) enabling cultural organizations and institutions to increase audience participation in and appreciation of programs sponsored by the organizations and institutions;

(4) simulating greater collaboration and cooperation among cultural organizations and institutions especially designed to

serve better the communities in which such organization or institutions are located; and

(5) fostering greater citizen involvement in planning the cultural development of a community.

(b) (1) Except as provided in paragraph 2, the total amount of any payment made under this section for a program or project may not exceed 50 per centum of the cost of such program or project.

(2) The Chairman, with the advice of the Council may, for not to exceed 20 per centum of the amount appropriated in any fiscal year, waive the requirement of non-Federal matching funds provided in paragraph (1) of this subsection, whenever he determines that highly meritorious proposals for grants and contracts under this title could not otherwise be supported from non-Federal sources or from Federal sources other than funds authorized by this title, unless such matching requirement is waived.

(c) In carrying out the program authorized by this title the Chairman of the National Endowment for the Arts shall have the same authority as is prescribed in section 10 of the National Foundation on the Arts and the Humanities Act of 1965.

(d) The provisions of sections 5(i) and (j) of the National Foundation on the Arts and the Humanities Act of 1965 shall apply to the program authorized by this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 302. (a) There are authorized to be appropriated for each fiscal year ending prior to October 1, 1981, to the National Endowment for the Arts an amount equal to the total amounts received by the Endowment for the purposes set forth in section 301(a) pursuant to the authority of section 10(a) (2) of the National Foundation on the Arts and the Humanities Act of 1965 (relating to the receipt of money and property donated, bequeathed, or devised to the Endowment), except that the amounts so appropriated for any fiscal year shall not exceed the following limitations:

(1) For the fiscal year 1977, \$15,000,000.

(2) For the fiscal year 1978, \$20,000,000.

(3) For the fiscal year 1979, such sums as may be necessary.

(4) For the fiscal year 1980, such sums as may be necessary.

(b) Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation and expenditure until expended.

TITLE IV—ARTS EDUCATION PROGRAM

STATEMENT OF PURPOSE

SEC. 401. It is the purpose of this title to improve the quality and availability of arts education for all students by providing financial assistance for inservice training and retraining programs, demonstration projects of exemplary achievements in arts education and the development of the dissemination of information and materials on arts education.

AUTHORIZATION OF APPROPRIATIONS

SEC. 402. (a) There are authorized to be appropriated to carry out the provisions of this title \$10,000,000 for the fiscal year 1977, \$10,000,000 for the fiscal year 1978, and such sums as may be necessary for each of the fiscal years 1979 and 1980.

(b) Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation and expenditure until expended.

ARTS EDUCATION PROGRAM AUTHORIZED

SEC. 403. (a) The Chairman of the National Endowment for the Arts, with the advice of the National Council on the Arts, is authorized to make grants to, or enter into contracts with, State educational agencies, local educational agencies, State arts agencies, institutions of higher education, or other appropriate public agencies or nonprofit organizations for the purpose of—

(1) developing short-term and long-term inservice training and retraining programs for art teachers, teaching artists, and administrators and other educational personnel involved in arts education;

(2) conducting workshops, seminars, festivals, and other appropriate activities on a national, regional, State, or local basis designed to develop and demonstrate outstanding arts education programs, including materials and techniques involving the arts as defined in section 3(b) of the Arts and the Humanities Act of 1965;

(3) collecting, analyzing, developing, and disseminating information and materials on arts education programs and resources.

(b) In making grants or entering into contracts under the provisions of this section for inservice training and retraining of arts teachers, the Chairman, to the extent practicable, shall give preference to proposals in which artists and art resources of the community (including museums, performing arts groups, and other similar groups) will be used in carrying out the proposal.

(c) In making grants or entering into contracts under the provisions of this section, the Chairman shall, whenever the proposal is made by an institution of higher education, by a public agency (other than the State or local educational agency) or by a nonprofit organization require that the proposal contain adequate provision for consultation with, and whenever practicable, participation by the appropriate State or local educational agency, or both.

(d) In carrying out the program authorized by this title the Chairman shall have the same authority as is prescribed in section 10 of the National Foundation on the Arts and the Humanities Act of 1965.

CONSULTATION; COOPERATIVE PROGRAMS

SEC. 404. (a) In the development and review of grants and contracts made under this title, the Chairman shall consult with the Commissioner of Education and with the John F. Kennedy Center for the Performing Arts through the Alliance for Arts Education to insure

improved coordination in the arts education program assisted under this title.

(b) Whenever appropriate, the Chairman, with the advice of the National Council on the Arts, is authorized to enter into cooperative programs for arts education with the National Endowment for the Humanities, the John F. Kennedy Center for the Performing Arts, and the Office of Education.

TITLE V

PART A—BICENTENNIAL CHALLENGE GRANTS

FINDINGS AND PURPOSES

SEC. 501. (a) The Congress finds that—

(1) the continued vitality of our representative democracy is dependent upon a renewed commitment to, and understanding and strengthening of, the principles underlying the Constitution;

(2) the period between the two hundredth anniversary of the signing of the Declaration of Independence and the two hundredth anniversary of the ratification of the Constitution is an appropriate time to take measures to insure the future of such vitality by assessing where our society and Government stand in relating to founding principles and seeking to determine the most effective methods to pursue goals appropriate to America and its citizens in the third century; and

(3) while the commemorative efforts regarding the Bicentennial of the Declaration of Independence have, until the present, been largely celebratory in nature, the observance of the Bicentennial of the Constitution should be primarily focused on projects which will bring together the public and private sectors in an effort to find new processes for solving problems facing our Nation in its third century.

(b) It is the purpose of this part to establish a Bicentennial Challenge Grant program designed to—

(1) maintain and strengthen democratic processes and institutions through encouraging citizen participation in such processes and institutions;

(2) develop new and innovative insights and approaches to resolving, in an integrated manner, problems of a social, political, and economic nature, which confront America in its third century; and

(3) develop new approaches for citizen involvement in the democratic system which attempt to make participation in the decisionmaking processes compatible with the daily lives of all Americans who desire and who seek to participate.

AUTHORIZATION OF APPROPRIATIONS

SEC. 502. (a) There are authorized to be appropriated for each fiscal year ending prior to October 1, 1981, to the National Endowment for the Humanities an amount equal to the total amounts received by the Endowment for the purposes set forth in section 502 pursuant to the authority of section 10(a)(2) of the National Foundation on the Arts and Humanities Act of 1965 (relating to the receipt of money and property donated, bequeathed, or devised to the Endowment).

except that the amount so appropriated for any fiscal year shall not exceed the following limitations:

(1) For the fiscal year 1977, \$15,000,000.

(2) For the fiscal year 1978, \$20,000,000.

(3) For the fiscal year 1979, such sums as may be necessary.

(4) For the fiscal year 1980, such sums as may be necessary.

(b) Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation and expenditure until expended.

PROGRAM AUTHORIZED

SEC. 503. (a) The Chairman of the National Endowment for the Humanities, with the advice of the National Council on the Humanities, is authorized in accordance with provisions of this part, to establish and carry out a program of contracts with, or grants-in-aid to, public agencies and nonprofit organizations for the purposes of this part.

(b) The total amount of any payment made under this part for a program or project may not exceed 50 per centum of the cost of such program or project, except as provided by section 504.

(c) In carrying out the program authorized by this title, the Chairman shall have the same authority as is prescribed in section 10 of the National Foundation on the Arts and the Humanities Act of 1965. The Chairman, with the advice of the Council, shall take such steps as he deems necessary to coordinate the program authorized by this part with the other activities of the Endowment.

(d) The provisions of section 7(g) of the National Foundation on the Arts and Humanities Act of 1965 shall apply to the program authorized by this part.

WAIVER OF MATCHING REQUIREMENTS

SEC. 504. The Chairman, with the advice of the Council, shall waive the requirement of non-Federal matching of funds provided by section 501(b) of this part, whenever he determines that highly meritorious proposals for grants and contracts under this part could not otherwise be supported from non-Federal sources or from Federal sources other than funds authorized by this part, unless such matching requirement is waived.

DEFINITIONS

SEC. 505. For purposes of this part—

(a) "Chairman" shall mean the Chairman of the National Endowment for the Humanities;

(b) "Endowment" shall mean the National Endowment for the Humanities; and

(c) "Council" shall mean the National Council on the Humanities.

PART B—AMERICAN BICENTENNIAL PHOTOGRAPHY AND FILM PROJECT

FINDINGS AND STATEMENT OF PURPOSES

SEC. 521. (a) The Congress finds (1) that the federally supported photographic projects conducted during the 1930's created a lasting national historic and artistic resource of priceless value and (2) that the American Revolution Bicentennial presents the opportunity to

create a similar portrait, through photographs and film, of the people and communities of the United States.

(b) It is the purpose of this part to establish the American Bicentennial Photography and Film Project, by providing assistance to State arts agencies to support qualified photography and film projects within their States, and by establishing the National Endowment for the Arts as national coordinator for the national Bicentennial photography and film project.

AUTHORIZATION OF APPROPRIATIONS

SEC. 522. (a) (1) There are authorized to be appropriated to the National Endowment for the Arts for the purpose of this part not to exceed \$5,000,000 for each of the fiscal years 1977 and 1978 and such sums as may be necessary for each of the fiscal years 1979 and 1980.

(2) Sums appropriated pursuant to this subsection shall remain available until expended.

(b) Of the amounts appropriated pursuant to subsection (a) of this section, not to exceed one-fifth shall be reserved by the National Endowment for the Arts for purposes of section 524, and the remainder shall be apportioned among the States on the following basis: The first \$3,000,000 shall be allocated among the States in equal amounts, and the remainder shall be apportioned among the States on the basis of population.

STATE PROJECTS

SEC. 523. (a) From funds appropriated and apportioned to each State pursuant to section 522, the Endowment is authorized to provide, by grant or contract, financial assistance to the State arts agency of each State, pursuant to such regulations and guidelines as the Endowment shall establish, to permit such State agency to support one or more photography or film projects meeting the purposes of this part. Such assistance shall also be available for acquiring essential equipment and supplies, and for administrative or supervisory personnel, and for processing and cataloging, and for the display (and related activities) of the photographs and films produced with assistance under this part.

(b) (1) No financial assistance may be made under this part unless an application is made at such time, in such manner and containing or accompanied by such information, as the Endowment determines is reasonably necessary.

(2) In providing financial assistance under this part, the Endowment shall give priority to proposals which involve promising photographers or film makers who are unemployed or underemployed.

NATIONAL PROJECT

SEC. 524. From funds allotted to the Endowment pursuant to section 522(b), the Endowment shall pay the costs of administration, provide for collection and dissemination of photographs and films produced pursuant to this section, and provide direct assistance to applicants for photography or film projects of special merit which meet the purposes of this part. The Endowment shall assure that representative photographs and films (including, where appropriate, negatives) produced with assistance furnished under this part are made available for the permanent collection of the Library of Congress.

ARTS, HUMANITIES, AND CULTURAL AFFAIRS ACT OF 1976

MAY 14, 1976.—Ordered to be printed
Filed under authority of the order of the Senate of May 13, 1976

Mr. PELL, from the Committee on Labor and Public Welfare,
submitted the following

REPORT

[To accompany H.R. 12838]

The Committee on Labor and Public Welfare, to which was referred the bill (H.R. 12838) to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes, having considered the same, reports thereon without recommendation.

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ARTS, HUMANITIES, AND CULTURAL AFFAIRS ACT OF
1976

SEPTEMBER 20, 1976.—Ordered to be printed

Mr. PELL, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 12838]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12838) to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Arts, Humanities, and Cultural Affairs Act of 1976".

TITLE I—ARTS AND HUMANITIES

SCOPE OF PROGRAMS CARRIED OUT BY CHAIRMAN OF NATIONAL ENDOWMENT
FOR THE ARTS

SEC. 101. Section 5(c) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by striking out "in the United States".

ALLOTMENTS FOR PROJECTS AND PRODUCTIONS RELATING TO THE ARTS

SEC. 102. Section 5(g)(4)(A) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting immediately after "(4)(A)" the following new sentence: "The amount of each allotment to a State for any fiscal year under this subsection shall be available to each State, which has a plan approved by the Chairman in effect on the first day of such fiscal year, to pay not more than 50 per centum of the total cost of any project or production described in paragraph (1)."

APPOINTMENT OF MEMBERS OF NATIONAL COUNCIL ON ARTS AND NATIONAL
COUNCIL ON HUMANITIES

SEC. 103. (a) The first sentence of section 6(b) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting "by and with the advice and consent of the Senate," immediately after "President".

(b) The first sentence of section 8(b) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting "by and with the advice and consent of the Senate," immediately after "President".

STATE HUMANITIES PROGRAM

SEC. 104. (a) Section 7 of the National Foundation on the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new subsection:

"(f)(1) The Chairman, with the advice of the National Council on the Humanities, is authorized, in accordance with the provisions of this subsection, to establish and carry out a program of grants-in-aid in each of the several States in order to support not more than 50 per centum of the cost of existing activities which meet the standards enumerated in subsection (c) of this section, and in order to develop a program in the humanities in such a manner as will furnish adequate programs in the humanities in each of the several States.

"(2) In order to receive Federal financial assistance under this subsection in any fiscal year, any appropriate entity desiring to receive such assistance shall submit an application for such grants at such time as shall be specified by the Chairman. Each such application shall be accompanied by a plan which the Chairman finds—

"(A) provides assurances that the grant recipient will comply with the requirements of paragraph (3) of this subsection;

"(B) provides that funds paid to the grant recipient will be expended solely on programs which carry out the objectives of subsection (c) of this section;

"(C) establishes a membership policy which is designed to assure broad public representation with respect to programs administered by such grant recipient;

"(D) provides a nomination process which assures opportunities for nomination to membership from various groups within the State involved and from a variety of segments of the population of such State, and including individuals who by reason of their achievement, scholarship, or creativity in the humanities, are especially qualified to serve;

"(E) provides for a membership rotation process which assures the regular rotation of the membership and officers of such grant recipient and which complies with the provisions of paragraph (3)(C) of this subsection;

"(F) establishes reporting procedures which are designed to inform the chief executive officer of the State involved, and other appropriate officers and agencies, of the activities of such grant recipient;

"(G) establishes procedures to assure public access to information relating to such activities; and

"(H) provides that such grant recipient shall make reports to the Chairman, in such form, at such times, and containing such information, as the Chairman may require.

"(3)(A) Whenever a State desires that an appropriate officer or agency of such State appoint 50 per centum of the membership of the governing body of the grant recipient involved, such State shall—

"(i) for the first fiscal year with respect to which such State desires to make such appointments, match, from State funds, 50 per centum of that portion of the Federal financial assistance received by such grant recipient under this subsection which exceeds \$100,000;

"(ii) for the second fiscal year with respect to which such State desires to make such appointments, match, from State funds, that portion of the Federal financial assistance received by such grant recipient under this subsection which exceeds \$100,000; and

"(iii) with respect to each fiscal year thereafter, match, from State funds, the total amount of Federal financial assistance received by such grant recipient under this subsection for the fiscal year involved.

"(B) In any State in which the State does not desire to comply with the requirements of subparagraph (A) of this paragraph, the grant recipient shall—

"(i) establish a procedure which assures that two members of the governing body of such grant recipient shall be appointed by an appropriate officer or agency of such State; and

"(ii) provide, from any source, an amount equal to the total amount of Federal financial assistance received by such grant recipient under this subsection in the fiscal year involved.

"(C) In any fiscal year in which a State fails to meet the matching requirement from State funds made by subparagraph (A) of this paragraph, the number of members on the governing body of the grant recipient who were appointed by an appropriate officer or agency of such State shall be reduced so that the governing body complies with the provisions of subparagraph (B) of this paragraph.

"(4) Of the sums available to carry out this subsection for any fiscal year, each grant recipient which has a plan approved by the Chairman shall be allotted at least \$200,000. If the sums appropriated are insufficient to make the allotments under the preceding sentence in full, such sums shall be allotted among such grant recipients in equal amounts. In any case where the sums available to carry out this subsection for any fiscal year are in excess of the amount required to make the allotments under the first sentence of this paragraph—

"(A) the amount of such excess which is no greater than 25 per centum of the sums available to carry out this subsection for any fiscal year shall be available to the Chairman for making grants under this subsection to entities applying for such grants;

"(B) the amount of such excess, if any, which remains after reserving in full for the Chairman the amount required under subparagraph (A) shall be allotted among the grant recipients which have plans approved by the Chairman in equal amounts, but in no event shall any grant recipient be allotted less than \$200,000.

"(5)(A) Whenever the provisions of paragraph (3)(B) of this subsection apply in any State, that part of any allotment made under paragraph (4) for any fiscal year—

"(i) which exceeds \$125,000, but

"(ii) which does not exceed 20 per centum of such allotment, shall be available, at the discretion of the Chairman, to pay up to 100 per centum of the cost of programs under this subsection if such programs would otherwise be unavailable to the residents of that State.

"(B) Any amount allotted to a State under the first sentence of paragraph (4) for any fiscal year which is not obligated by the grant recipient prior to sixty days prior to the end of the fiscal year for which such sums are appropriated shall be available to the Chairman for making grants to regional groups.

"(C) Funds made available under this subsection shall not be used to supplant non-Federal funds.

"(D) For the purposes of this paragraph, the term 'regional group' means any multistate group, whether or not representative of contiguous States.

"(6) All amounts allotted or made available under paragraph (4) for a fiscal year which are not granted to any entity during such fiscal year shall be available to the National Endowment for the Humanities for the purpose of carrying out subsection (c).

"(7) Whenever the Chairman, after reasonable notice and opportunity for hearing, finds that—

"(A) a grant recipient is not complying substantially with the provisions of this subsection;

"(B) a grant recipient is not complying substantially with terms and conditions of its plan approved under this subsection; or

"(C) any funds granted to any grant recipient under this subsection have been diverted from the purposes for which they are allotted or paid,

the Chairman shall immediately notify the Secretary of the Treasury and the grant recipient with respect to which such finding was made that no further grants will be made under this subsection to such grant recipient until there is no longer a default or failure to comply or the diversion has been corrected, or, if the compliance or correction is impossible, until such grant recipient repays or arranges the repayment of the Federal funds which have been improperly diverted or expended.

"(8) Except as provided in paragraphs (4), (5), and (6), the Chairman may not make grants under this subsection to more than one entity in any State."

(b) The amendment made by subsection (a) shall be effective with respect to fiscal year 1977 and succeeding fiscal years.

PAYMENT OF PERFORMERS AND SUPPORTING PERSONNEL

SEC. 105. Section 7 of the National Foundation on the Arts and the Humanities Act of 1965, as amended by section 104(a), is further amended by adding at the end thereof the following new subsection:

"(g) It shall be a condition of the receipt of any grant under this section that the group, individual, or State entity receiving such grant furnish adequate assurances to the Secretary of Labor that (1) all professional performers and related or supporting professional personnel employed on projects or productions which are financed in whole or in part under this section will be paid, without subsequent deduction or rebate on any account, not less than the minimum compensation as determined by the Secretary of Labor to be the prevailing minimum compensation for persons employed in similar activities; and (2) no part of any project or production which is financed in whole or in part under this section will be performed or engaged in under working conditions which are unsanitary or hazardous or dangerous to the health and safety of the employees engaged in such project or production. Compliance with

the safety and sanitary laws of the State in which the performance or part thereof is to take place shall be prima facie evidence of compliance. The Secretary of Labor shall have the authority to prescribe standards, regulations, and procedures as he may deem necessary or appropriate to carry out the provisions of this subsection."

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 106. (a)(1)(A) Section 11(a)(1)(A) of the National Foundation on the Arts and the Humanities Act of 1965 is amended to read as follows:

"SEC. 11. (a)(1)(A) For the purpose of carrying out section 5(c), there are authorized to be appropriated \$93,500,000 for fiscal year 1977, \$105,000,000 for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980. Of the sums so appropriated for any fiscal year, not less than 20 per centum shall be for carrying out section 5(g)."

(B) Section 11(a)(1)(B) of such Act is amended by striking out all that follows "Humanities" and inserting in lieu thereof the following: "\$93,500,000 for fiscal year 1977, \$105,000,000 for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980. Of the sums so appropriated for any fiscal year, not less than 20 per centum shall be for carrying out section 7(f)."

(2) Section 11(a)(2) of such Act is amended (A) by striking out "July 1, 1976" and inserting in lieu thereof "October 1, 1980"; and (B) by striking out all that follows "not exceed" and inserting in lieu thereof "\$20,000,000 for fiscal year 1977, \$25,000,000 for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980."

(3) Section 11(c) of such Act is amended by inserting before the period a comma and the following: "or any other program for which the Chairman of the National Endowment for the Arts or the Chairman of the National Endowment for the Humanities is responsible".

(b) The amendments made by subsection (a) shall be effective with respect to fiscal year 1977 and succeeding fiscal years.

TITLE II—MUSEUM SERVICES

SHORT TITLE

SEC. 201. This title may be cited as the "Museum Services Act".

PURPOSE

SEC. 202. It is the purpose of this title to encourage and assist museums in their educational role, in conjunction with formal systems of elementary, secondary, and post-secondary education and with programs of non-formal education for all age groups; to assist museums in modernizing their methods and facilities so that they may be better able to conserve our cultural, historic, and scientific heritage; and to ease the financial burden borne by museums as a result of their increasing use by the public.

INSTITUTE OF MUSEUM SERVICES

SEC. 203. There is hereby established, within the Department of Health, Education, and Welfare, an Institute of Museum Services. The Institute shall consist of a National Museum Services Board and a Director of the Institute.

NATIONAL MUSEUM SERVICES BOARD

SEC. 204. (a) (1) The Board shall consist of fifteen members appointed by the President, by and with the advice and consent of the Senate. Such members shall be broadly representative of various museums, including museums relating to science, history, technology, art, zoos, and botanical gardens, of the curatorial, educational, and cultural resources of the United States, and of the general public.

(2) (A) In addition to members appointed by the President under paragraph (1), the following persons shall serve as members of the Board—

- (i) the Chairman of the National Endowment for the Arts;
- (ii) the Chairman of the National Endowment for the Humanities;
- (iii) the Secretary of the Smithsonian Institution;
- (iv) the Director of the National Science Foundation; and
- (v) the Commissioner of Education.

(B) The members of the Board listed in clause (i) through clause (v) of subparagraph (A) shall be nonvoting members.

(b) The term of office of the appointed members of the Board shall be five years, except that—

(1) any such member appointed to fill a vacancy shall serve only such portion of a term as shall not have expired at the time of such appointment; and

(2) in the case of initial members, three shall serve for terms of five years, three shall serve for terms of four years, three shall serve for terms of three years, three shall serve for terms of two years, and three shall serve for terms of one year, as designated by the President at the time of nomination for appointment.

Any appointed member who has been a member of the Board for more than seven consecutive years shall thereafter be ineligible for reappointment to the Board during the three-year period following the expiration of the last such consecutive year.

(c) The Chairman of the Board shall be designated by the President from among the appointed members of the Board. Eight appointed members of the Board shall constitute a quorum.

(d) The Board shall meet at the call of the Chairman, except that—

(1) it shall meet not less than four times each year; and

(2) it shall meet whenever one-third of the appointed members request a meeting in writing, in which event eight of the appointed members shall constitute a quorum.

(e) Members of the Board who are not in the regular full-time employ of the United States shall receive, while engaged in the business of the Board, compensation for service at a rate to be fixed by the President, except that such rate shall not exceed the rate specified at the time of such service for grade GS-18 set forth in section 5332 of title 5, United States Code, including traveltime, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed in Government service.

(f) The Board shall have the responsibility for the general policies with respect to the powers, duties, and authorities vested in the Institute under this title. The Director shall make available to the Board such information and assistance as may be necessary to enable the Board to carry out its functions.

(g) The Board shall, with the advice of the Director, take steps to assure that the policies and purposes of the Institute are coordinated with other activities of the Federal Government.

DIRECTOR OF THE INSTITUTE

SEC. 205. (a) (1) The Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. The Director shall be compensated at the rate provided for level V of the Executive Schedule (5 U.S.C. 5316), and shall perform such duties and exercise such powers as the Board may prescribe.

(2) The Director shall report to the Secretary of Health, Education, and Welfare with respect to the activities of the Institute. The Director shall not delegate any of his functions to any other officer who is not directly responsible to the Director.

(b) The Director shall advise the Board regarding policies of the Institute to assure coordination of the Institute's activities with other agencies and organizations of the Federal Government having interest in and responsibilities for the improvement of museums. Such Government agencies shall include the National Endowment for the Arts, the National Endowment for the Humanities, the National Science Foundation, appropriate units in the Department of Health, Education, and Welfare, the Library of Congress, and the Smithsonian Institution and related organizations.

ACTIVITIES OF THE INSTITUTE

SEC. 206. (a) The Director, subject to the policy direction of the Board, is authorized to make grants to museums to increase and improve museum services, through such activities as—

(1) programs to enable museums to construct or install displays, interpretations, and exhibitions in order to improve their services to the public;

(2) assisting them in developing and maintaining professionally-trained or otherwise experienced staff to meet their needs;

(3) assisting them to meet their administrative costs in preserving and maintaining their collections, exhibiting them to the public, and providing educational programs to the public through the use of their collections;

(4) assisting museums in cooperation with each other in the development of traveling exhibitions, meeting transportation costs, and identifying and locating collections available for loan;

(5) assisting them in conservation of artifacts and art objects; and

(6) developing and carrying out specialized programs for specific segments of the public, such as programs for urban neighborhoods, rural areas, Indian reservations, and penal and other State institutions.

(b) Grants under this section for any fiscal year may not exceed 50 per centum of the cost of the program for which the grant is made, except that not more than 20 per centum of the funds available under this section for any fiscal year may be available for grants in such fiscal year without regard to such limitation.

CONTRIBUTIONS

SEC. 207. The Institute shall have authority to accept in the name of the United States, grants, gifts, or bequests of money for immediate

disbursement in furtherance of the functions of the Institute. Such grants, gifts, or bequests, after acceptance by the Institute, shall be paid by the donor or his representative to the Treasurer of the United States whose receipt shall be their acquittance. The Treasurer of the United States shall enter them in a special account to the credit of the Institute for the purposes in each case specified.

FUNCTIONS OF FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES

SEC. 208. Section 9(c) of the National Foundation on the Arts and the Humanities Act of 1965 is amended—

(1) by redesignating paragraph (2) through paragraph (4) as paragraph (3) through paragraph (5), respectively, and by inserting immediately after paragraph (1) the following new paragraph:

"(2) advise and consult with the National Museum Services Board and with the Director of the Institute of Museum Services on major problems arising in carrying out the purposes of such Institute,";

(2) in paragraph (3) thereof, as so redesignated by paragraph (1), by striking out "and" immediately after "Arts" and inserting in lieu thereof a comma, and by inserting "and the Institute of Museum Services," immediately after "Humanities,"; and

(3) in paragraph (4) thereof, as so redesignated by paragraph (1), by inserting "and the Institute of Museum Services" immediately after "Foundation".

AUTHORIZATION OF APPROPRIATIONS

SEC. 209. (a) For the purpose of making grants under section 206(a), there are authorized to be appropriated \$15,000,000 for fiscal year 1977, \$25,000,000 for fiscal year 1978, and such sums as may be necessary for each of fiscal years 1979 and 1980.

(b) There are authorized to be appropriated such sums as may be necessary to administer the provisions of this title.

(c) Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation and expenditure until expended.

(d) For the purpose of enabling the Institute to carry out its functions under this title, during the period beginning on the date of the enactment of this Act and ending October 1, 1980, there is authorized to be appropriated an amount equal to the amount contributed during such period to the Institute under section 207.

DEFINITIONS

SEC. 210. For the purpose of this title, the term—

(1) "Board" means the National Museum Services Board established under section 203;

(2) "Director" means the Director of the Institute established under section 203;

(3) "Institute" means the Institute of Museum Services established under section 203; and

(4) "museum" means a public or private nonprofit agency or institution organized on a permanent basis for essentially educational or esthetic purposes, which, utilizing a professional staff, owns or utilizes tangible objects, cares for them, and exhibits them to the public on a regular basis.

TITLE III—CHALLENGE GRANT PROGRAMS

ESTABLISHMENT OF PROGRAMS

SEC. 301. (a) Section 5 of the National Foundation on the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new subsection:

"(l)(1) The Chairman of the National Endowment for the Arts, with the advice of the National Council on the Arts, is authorized, in accordance with the provisions of this subsection, to establish and carry out a program of contracts with, or grants-in-aid to, public agencies and private nonprofit organizations for the purpose of—

"(A) enabling cultural organizations and institutions to increase the levels of continuing support and to increase the range of contributors to the programs of such organizations or institutions;

"(B) providing administrative and management improvements for cultural organizations and institutions, particularly in the field of long-range financial planning;

"(C) enabling cultural organizations and institutions to increase audience participation in, and appreciation of, programs sponsored by such organizations and institutions;

"(D) stimulating greater cooperation among cultural organizations and institutions especially designed to serve better the communities in which such organizations or institutions are located; and

"(E) fostering greater citizen involvement in planning the cultural development of a community.

"(2) The total amount of any payment made under this subsection for a program or project may not exceed 50 per centum of the cost of such program or project.

"(3) In carrying out the program authorized by this subsection, the Chairman of the National Endowment for the Arts shall have the same authority as is established in section 5(c) and section 10."

(b) Section 7 of the National Foundation on the Arts and the Humanities Act of 1965, as amended by section 105, is further amended by adding at the end thereof the following new subsection:

"(h)(1) The Chairman of the National Endowment for the Humanities, with the advice of the National Council on the Humanities, is authorized, in accordance with the provisions of this subsection, to establish and carry out a program of contracts with, or grants-in-aid to, public agencies and private nonprofit organizations for the purpose of—

"(A) enabling cultural organizations and institutions to increase the levels of continuing support and to increase the range of contributors to the program of such organizations or institutions;

"(B) providing administrative and management improvements for cultural organizations and institutions, particularly in the field of long-range financial planning;

"(C) enabling cultural organizations and institutions to increase audience participation in, and appreciation of, programs sponsored by such organizations and institutions;

"(D) stimulating greater cooperation among cultural organizations and institutions especially designed to serve better the communities in which such organizations or institutions are located;

"(E) fostering greater citizen involvement in planning the cultural development of a community; and

“(F) for bicentennial programs, assessing where our society and Government stand in relation to the founding principles of the Republic, primarily focused on projects which will bring together the public and private citizen sectors in an effort to find new processes for solving problems facing our Nation in its third century.

“(2) (A) Except as provided in subparagraph (B) of this paragraph, the total amount of any payment made under this subsection for a program or project may not exceed 50 per centum of the cost of such program or project.

“(B) The Chairman, with the advice of the Council, may waive all or part of the requirement of matching funds provided in subparagraph (A) of this paragraph, but only for the purposes described in clause (F) of paragraph (1), whenever he determines that highly meritorious proposals for grants and contracts under such clause could not otherwise be supported from non-Federal sources or from Federal sources other than funds authorized by section 11(a)(3), unless such matching requirement is waived. Such waiver may not exceed 15 per centum of the amount appropriated in any fiscal year and available to the National Endowment on the Humanities for the purpose of this subsection.

“(3) In carrying out the program authorized by this subsection, the Chairman of the National Endowment for the Humanities shall have the same authority as is established in section 7(c) and section 10.”

AUTHORIZATION OF APPROPRIATIONS

SEC. 302. Section 11(a) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new paragraph:

“(3) (A) There is authorized to be appropriated for each fiscal year ending before October 1, 1980, to the National Endowment for the Arts an amount equal to the total amounts received by such Endowment for the purposes set forth in section 5(l)(1) pursuant to the authority of section 10(a)(2), except that the amount so appropriated to such Endowment shall not exceed \$12,000,000 for fiscal year 1977, and \$18,000,000 for fiscal year 1978. Such sums as may be necessary are authorized to be appropriated for fiscal years 1979 and 1980.

“(B) There are authorized to be appropriated for each fiscal year ending before October 1, 1980, to the National Endowment for the Humanities an amount equal to the total amounts received by such Endowment for the purposes set forth in section 7(h)(1) pursuant to the authority of section 10(a)(2), except that the amount so appropriated to such Endowment shall not exceed \$12,000,000 for fiscal year 1977, and \$18,000,000 for fiscal year 1978. Such sums as may be necessary are authorized to be appropriated for fiscal years 1979 and 1980.

“(C) If either Chairman determines at the end of the ninth month of any fiscal year that funds which would otherwise be available under this paragraph to an Endowment cannot be used, he shall transfer such funds to the other Endowment for the purposes described in section 5(l)(1) or section 7(h)(1), as may be necessary.

“(D) Sums appropriated pursuant to subparagraph (A) and subparagraph (B) for any fiscal year shall remain available for obligation and expenditure until expended.”

TITLE IV—AMERICAN BICENTENNIAL PHOTOGRAPHY AND FILM PROJECT

AMERICAN BICENTENNIAL PHOTOGRAPHY AND FILM PROJECT

SEC. 401. (a) Section 5 of the National Foundation on the Arts and the Humanities Act of 1965, as amended by section 301(a), is further amended by adding at the end thereof the following new subsection:

“(m) (1) From funds appropriated to the Endowment and apportioned to each State pursuant to section 11(a)(4), the Endowment is authorized to provide, by grant or contract, financial assistance to the State arts agency of each State, pursuant to such regulations and guidelines as the Endowment shall establish, to permit such State agency to support one or more photography or film projects meeting the purposes of this subsection. Such assistance shall also be available for acquiring essential supplies, and for administrative or supervisory personnel, and for processing and cataloging, and for the display (and related activities) of the photographs and films produced with assistance under this subsection.

“(2) (A) No financial assistance may be made under this subsection unless an application is made at such time, in such manner, and containing or accompanied by such information, as the Endowment determines is reasonably necessary.

“(B) In providing financial assistance under this subsection, each State shall give consideration to proposals which involve promising and qualified photographers or film makers who are unemployed or underemployed.

“(3) From funds allotted to the Endowment pursuant to section 11(a)(4), the Endowment shall pay the costs of administration, provide for collection and dissemination of a representative collection of photographs and films produced pursuant to this subsection, and provide direct assistance to applicants for photography or film projects of special merit which meet the purposes of this subsection. The Endowment shall assure that representative photographs and films (including, where appropriate, negatives) produced with assistance furnished under this subsection are made available for the permanent collection of the Library of Congress.”

(b) Section 11(a) of the National Foundation on the Arts and the Humanities Act of 1965, as amended by section 302, is further amended by adding at the end thereof the following new paragraph:

“(4) (A) For the purposes of carrying out section 5(m), there are authorized to be appropriated to the National Endowment for the Arts \$4,000,000 for fiscal year 1977 and \$2,000,000 for fiscal year 1978. Sums appropriated pursuant to this subparagraph shall remain available until expended.

“(B) Not more than 75 per centum of the amounts appropriated pursuant to subparagraph (A) shall be allocated among the States in equal amounts for fiscal year 1977, and not more than 50 per centum of the amounts appropriated pursuant to subparagraph (A) shall be allocated among the States in equal amounts for fiscal year 1978.”

TITLE V—ARTS EDUCATION

AMENDMENT TO THE EDUCATION AMENDMENTS OF 1974

SEC. 501. Section 409 of the Education Amendments of 1974 is amended by inserting “(a)” after the section designation and by adding at the end thereof the following new subsection:

"(b) Notwithstanding the provisions of section 402(b)(3)(G) and section 402(b)(4) of this Act, and in addition to sums reserved under that section and made available under subsection (a) of this section, there are authorized to be appropriated \$2,000,000 for fiscal year 1978 to carry out the purposes of this section."

And the Senate agree to the same.

CLAIBORNE PELL,
GAYLORD NELSON,
TOM EAGLETON,
WALTER F. MONDALE,
WILLIAM D. HATHAWAY,
HARRISON A. WILLIAMS, Jr.,
J. K. JAVITS,
BOB TAFT, Jr.,
ROBERT T. STAFFORD,
Managers on the Part of the Senate.

CARL D. PERKINS,
JOHN BRADEMAS,
PATSY T. MINK,
LLOYD MEEDS,
SHIRLEY CHISHOLM,
WILLIAM LEHMAN,
ROBERT J. CORNELL,
EDWARD P. BEARD,
LEO C. ZEFERETTI,
GEORGE MILLER,
TIM L. HALL,
ALBERT H. QUIE,
ALPHONZO BELL,
PETER A. PEYSER,
JAMES M. JEFFORDS,
LARRY PRESSLER,
Managers on the Part of the House.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12838) to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SHORT TITLE

The House bill, the Senate amendment, and the conference substitute provide that this legislation may be cited as the "Arts, Humanities, and Cultural Affairs Act of 1976".

TITLE I—ARTS AND HUMANITIES

STATE HUMANITIES PROGRAM

House bill

The House bill authorized the Chairman of the National Endowment for the Humanities to establish programs of grants-in-aid in each of the several States to support not more than 50 percent of the cost of existing activities which meet the standards established in section 7(c) of the National Foundation on the Arts and the Humanities Act of 1965 (hereinafter in this statement referred to as the "Act"). The House bill provided that, in order to receive assistance in any fiscal year, any person or entity desiring to receive such assistance may submit an application to the Chairman.

The House bill required an applicant to submit a plan which (1) provides that funds will be used solely on programs which carry out the objectives of section 7(c); (2) establishes a membership policy designed to assure broad public representation; (3) provides a nomination process which assures nomination to membership from various groups within the State involved; (4) provides for the rotation of the membership on a regular basis; (5) establishes appropriate reporting procedures; (6) establishes procedures to assure public access to

information relating to activities carried out by the applicant; (7) provides that the applicant will make reports to the Chairman; and (8) provides that 2 members of the executive body of the applicant shall be appointed by an appropriate officer or agency of the State involved.

The House bill provided that each grant recipient which has a plan approved by the Chairman shall be allotted at least \$200,000 out of sums available to carry out subsection (f) of section 7 of the Act, as added by the House bill, in any fiscal year. An equal allocation among grant recipients must be made in any case in which insufficient sums are appropriated.

In any case in which sums available to carry out subsection (f) exceed the amount necessary to make allotments of \$200,000 to grant recipients (1) the amount of the excess which does not exceed 25 percent of the sums available to carry out subsection (f) for the fiscal year involved are made available to the Chairman for making grants under subsection (f) to persons and entities applying for grants; and (2) any remaining amount must be allotted among grant recipients which have plans approved by the Chairman in equal amounts, except that no grant recipient may receive less than \$200,000.

The House bill also provided that any part of an allotment made under subsection (f)(3) for any fiscal year which exceeds \$125,000, but which does not exceed 20 percent of the allotment, is available (at the discretion of the Chairman) to pay up to 100 percent of the cost of programs under subsection (f). This provision applies, however, only if the programs involved otherwise would not be available to residents of the State involved.

The House bill also provided that funds made available under subsection (f) may not be used to supplant non-Federal funds. Any amounts available under subsection (f)(3) for a fiscal year which are not granted to any person or entity during the fiscal year shall be available to the National Endowment for the Humanities for the purpose of carrying out section 7(c) of the Act.

The House bill also provided that whenever the Chairman, after reasonable notice and opportunity for hearing, finds that—

(1) a grant recipient is not complying substantially with the provisions of subsection (f);

(2) a grant recipient is not complying substantially with the terms and conditions of its plan; or

(3) any funds granted to any person or entity under subsection (f) have been diverted from the purposes for which such funds were allotted or paid;

the Chairman must notify the Secretary of the Treasury and the grant recipient involved that no further grants will be made under subsection (f) to the grant recipient until there is no longer a default or failure to comply or until the diversion of funds has been corrected. If it is impossible to achieve such compliance or correction, the Chairman is required to bar any further grants until the grant recipient repays or arranges for the repayment of any Federal funds which have been improperly diverted or expended.

The House bill prohibited the Chairman from making grants to more than one person or entity in any State.

The House bill provided that the amendment made by the House bill would be effective with respect to fiscal year 1977 and succeeding fiscal years.

Senate amendment

The Senate amendment differed from the House bill in the following respects:

1. The Senate amendment provided for a single program of grants-in-aid to assist the several States in supporting activities in the humanities.

2. The Senate amendment provided that only States may submit applications to the Chairman, in accordance with the laws of the State involved.

3. The Senate amendment provided that the plan which must accompany any application must be an annual plan.

4. The Senate amendment required the plan to designate one of the following entities to be the sole agency for administering the State plan: (1) an existing State agency for the arts and the humanities; (2) a State committee on the humanities or some other appropriate entity; or (3) the State humanities committee in existence on the date of the enactment of this legislation.

5. The Senate amendment provided that any funds paid to a State must be used for programs which (1) are approved by the State agency or State committee administering the State plan; and (2) carry out the objectives of 7(c) of the Act.

6. The Senate amendment provided that a State committee or similar entity may be designated if the plan (1) is submitted for the approval of the Governor of the State before it is submitted to the Chairman; (2) establishes procedures permitting the Governor to appoint a majority of the members of the committee; (3) establishes a membership policy designed to assure broad public representation; (4) provides a nomination process which assures nomination to membership from a variety of segments of the population of the State; (5) provides for rotation of the membership on a regular basis; (6) establishes adequate reporting procedures to the Governor of the State; and (7) establishes procedures for public access to information. The House bill contained similar provisions but applied them to any person or entity applying for assistance.

7. The Senate amendment provided that a State humanities committee in existence on the date of the enactment of this legislation may be designated if it submits assurances that (1) satisfactory grievance procedures have been established regarding the activities and plans of the State humanities committee; and (2) the provisions specified in paragraph 6 are met, other than the provisions of subparagraphs (1) and (2) of paragraph 6.

8. The Senate amendment provided that amounts allotted to a State which are not obligated by the State before the last 60 days of a fiscal year may be used by the Chairman to make grants to regional groups. The term "regional group" was defined to mean any multistate group, whether or not representative of contiguous States.

Conference substitute

The conference substitute retains important features of the House bill and provides incentives for State participation. It differs from the House bill in the following respects:

1. The conference substitute provides for a single program of grants-in-aid.

2. (a) The conference substitute permits a State to provide for the appointment of 50 percent of the membership of the governing body of a grant recipient in such State if the State meets the following requirements: (1) for the first fiscal year in which the State desires to make such appointments, the State must match (from State funds) 50 percent of that portion of the Federal financial assistance received by the grant recipient which exceeds \$100,000; (2) for the second fiscal year, the State must match (from State funds) 100 percent of that portion of the Federal financial assistance which exceeds \$100,000; and (3) in each fiscal year thereafter, the State must match (from State funds) the total amount of Federal financial assistance.

(b) If a State does not desire to comply with the requirements which would permit it to appoint 50 percent of the membership of the governing body of the grant recipient, the conference substitute requires the grant recipient to (1) establish a procedure under which 2 members of the governing body of the grant recipient are appointed by an appropriate officer or agency of the State; and (2) provide (from any source) an amount equal to the total amount of the Federal financial assistance received by the grant recipient.

(c) The conference substitute also provides that, in any fiscal year in which a State fails to meet the matching requirements which would permit it to appoint 50 percent of the membership of the governing body of the grant recipient, the number of members on the governing body must be reduced so that no more than 2 members of the governing body are appointees of an officer or agency of the State.

3. The conference substitute retains the provisions in the House bill and the Senate amendment which permit any part of an allotment to an entity within a State for any fiscal year which exceeds \$125,000, but which does not exceed 20 percent of the allotment, to be used to pay up to 100 percent of the cost of the program in the State involved. The conference substitute applies this provision to an entity within a State where State participation and matching is not involved. In cases where combined State and Federal support for the humanities is developed, the conferees believe that this combination can serve as a stimulus to increase private support for the humanities and to an expansion of program activities.

4. The conference substitute retains the provision of the Senate amendment relating to regional groups, under which amounts allotted to a State which are not obligated by the State before the last 60 days of a fiscal year may be used to make grants to regional groups.

The purpose of the conference agreement is to encourage and stimulate the development of a Federal-State partnership in the broad cultural areas of the humanities, so that this partnership may be increasingly beneficial to our people in each State. The conferees have taken note of the dramatic growth of the Federal-State partnership with respect to the programs of the National Endowment for the Arts, exemplified by a 15-fold increase in annual State funding for the arts in 10 years—from \$4 million to \$60 million—and by the development of more than 1,000 community arts councils. The conference agreement envisages the development of similar challenges and opportunities for the Humanities Endowment.

The Chairman of the National Endowment for the Humanities is directed to help encourage State participation and to work more

closely than in the past with State governments and State officials, so that the values, particular to the humanities, can gain better entrance to the mainstream of our democratic processes and make a more vital contribution to American life.

The Chairman is urged to study State needs in the humanities with State leaders, so that these needs can be met in the broadest sense, through programs representing the full scope of the humanities, and through programs which will be addressed to a multiplicity and variety of worthwhile projects. It is the position of the conferees that the 20 percent of the total funding allocated to the States is of deep importance in bringing the values of both the arts and the humanities into local communities and to groups whose needs may be relatively modest, but who have potentially great significance.

Existing combined State arts and humanities entities are eligible for Endowment support, provided they fully meet the provisions of section 7(f) of the Act, as added by the conference substitute.

SCOPE OF PROGRAMS CARRIED OUT BY CHAIRMAN OF NATIONAL ENDOWMENT FOR THE ARTS

House bill

The House bill eliminated the restriction that projects and productions supported by the Chairman of the National Endowment for the Arts must be located within the United States.

Senate amendment

The Senate amendment provided that grants may be made to include international activities so long as the primary purpose of the grant is to support the arts in the United States.

Conference substitute

The Senate recedes, in order to maintain consistency in the statutory language which applies to the two Endowments. The conferees, however, do not intend that either Endowment make grants or contracts which include international activities unless the primary purpose of such grants or contracts is to support the arts or the humanities in the United States.

ADMINISTRATIVE PROVISIONS WITH RESPECT TO SURPLUS PROPERTY

House bill

No provision.

Senate amendment

The Senate amendment gave to the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities the authority to receive and dispose of excess and surplus Federal personal property without regard to the Federal Property and Administrative Services Act of 1949.

Conference substitute

The Senate recedes, based on the requests of the Committees on Government Operations of the House and the Senate, which currently are considering revisions of present law governing the distribution of surplus property. The conferees believe that cultural institutions

should be included in the distribution of Federal surplus property and urge full consideration as a part of this overall review.

AUTHORIZATIONS OF APPROPRIATIONS

House bill

The House bill authorized the following amounts in order to carry out section 5 of the Act: \$100,000,000 for fiscal year 1977; \$113,500,000 for fiscal year 1978; and such sums as may be necessary for fiscal years 1979 and 1980. Not less than 20 percent of any such sums which are appropriated in any fiscal year shall be available for carrying out section 5(g) of the Act.

The House bill authorized the following amounts to carry out section 7(c) of the Act: \$100,000,000 for fiscal year 1977; \$113,500,000 for fiscal year 1978; and such sums as may be necessary for fiscal years 1979 and 1980. Not less than 20 percent of such sums which are appropriated in any fiscal year must be available for carrying out section 7(f) of the Act.

The House bill established the following limitations on appropriations which may be made based on section 10(a)(2) of the Act: \$20,000,000 for fiscal year 1977; \$25,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal years 1979 and 1980.

The House bill provided that the amendments made by the House bill shall be effective with respect to fiscal year 1977 and succeeding fiscal years.

Senate amendment

The Senate amendment authorized the same total amounts as the House bill, although distribution among programs differed because the Senate amendment included in separate titles amounts for arts and bicentennial challenge grants, bicentennial photography, and arts education. The Senate amendment specifically authorized the appropriation of the following amounts:

1. To carry out section 5 of the Act: \$92,500,000 for fiscal year 1977; \$105,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal year 1979 and fiscal year 1980. Not less than 20 percent of any such sums which are appropriated in any fiscal year shall be available for carrying out section 5(g) of the Act.

2. To carry out section 7(c) of the Act: \$82,500,000 for fiscal year 1977; \$95,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal year 1979 and fiscal year 1980. Not less than 20 percent of such sums which are appropriated in any fiscal year must be available for carrying out section 7(f) of the Act.

3. For the matching of donated funds under section 10 (a)(2) of the Act: \$15,000,000 for fiscal year 1977; \$20,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal year 1979 and fiscal year 1980.

The Senate amendment also provided that the authorization for administration applies to any program for which the Chairman of the National Endowment for the Arts or the Chairman of the National Endowment for the Humanities is responsible.

Conference substitute

The conference substitute authorizes the appropriation of the following amounts:

1. To carry out section 5 of the Act: \$93,500,000 for fiscal year 1977; \$105,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal year 1979 and fiscal year 1980. The conference substitute retains the provision that not less than 20 percent of appropriated funds be available for carrying out section 5(g) of the Act.

2. To carry out section 7(c) of the Act: \$93,500,000 for fiscal year 1977; \$105,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal year 1979 and fiscal year 1980. The conference substitute retains the provision that not less than 20 percent of appropriated sums must be available for carrying out section 7(f) of the Act.

3. For the matching of donated funds under section 10(a)(2) of the Act: \$20,000,000 for fiscal year 1977; \$25,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal year 1979 and fiscal year 1980.

The conference substitute also retains the provision of the Senate amendment which provided that the authorization for administration applies to any program for which the Chairman of either Endowment is responsible.

The conferees take note that in both the House and Senate committee reports relating to the House bill and the Senate amendment, respectively, emphasis was placed on the accomplishments and growth of the American Film Institute, especially with regard to increased private support. The conferees note with approval the plans which have been developed during the past year between the National Endowment for the Arts and the American Film Institute to further increase the potentials of the Institute, on behalf of the major art form of film. It is clear that these plans, and the funding levels involved, have been carefully considered by the Endowment with the advice of the National Council on the Arts and citizen panelists expert in film. The conferees believe that these plans should be given every opportunity for full implementation.

TITLE II—MUSEUM SERVICES

PURPOSE

House bill

The House bill provided that it is the purpose of title II of this legislation to (1) encourage and assist museums in their educational role, in conjunction with formal and informal educational systems; (2) assist museums in modernizing their methods and facilities; and (3) ease the financial burdens experienced by museums.

Senate amendment

The Senate amendment provided that it is the purpose of title II of this legislation to encourage and assist museums in their educational role so that they may better serve the communities in which they are located.

Conference substitute

The Senate recedes.

INSTITUTE OF MUSEUM SERVICES

House bill

The House bill established within the Department of Health, Education, and Welfare, an Institute of Museum Services (hereinafter in this statement referred to as the "Institute"). The Institute consists of a National Museum Services Board (hereinafter in this statement referred to as the "Board") and a Director of the Institute (hereinafter in this statement referred to as the "Director").

Senate amendment

The Senate amendment was the same as the House bill, except for the following differences:

1. The Senate amendment provided that the title of the institute is the "Institute for the Improvement of Museum Services".
2. The Senate amendment established the Institute within the National Foundation on the Arts and the Humanities.

Conference substitute

The Senate recedes.

NATIONAL MUSEUM SERVICES BOARD

House bill

The House bill provided that the Board will consist of 15 members appointed by the President, by and with the advice and consent of the Senate. The members of the Board must be broadly representative of (1) various museums, including museums relating to science, history, technology, and art, and also including zoos and botanical gardens; (2) the curatorial, educational, and cultural resources of the United States; and (3) the general public.

The House bill also provided that the members of the Board shall serve for terms of 5 years, except that (1) a member appointed to fill a vacancy shall serve only for the unexpired term of his predecessor; and (2) of the members first appointed, 3 shall serve for terms of 4 years, 3 shall serve for terms of 3 years, 3 shall serve for terms of 2 years, and 3 shall serve for terms of one year, as designated by the President at the time of nomination for appointment.

A member of the Board who has served for more than 7 consecutive years shall not be eligible for reappointment to the Board during the 3-year period immediately following the expiration of the last such consecutive year. The Chairman of the Board shall be designated by the President from among the members of the Board. Eight members of the Board shall constitute a quorum.

The House bill also provided that the Board will meet at the call of the Chairman of the Board, except that (1) the Board shall meet not less than 4 times annually; (2) if the Director determines that a meeting of the Board is necessary, the Board must meet whenever one-third of the members requests a meeting in writing, in which case one-half of the members shall constitute a quorum; and (3) in any case in which one-third of the members of the Board requests a meeting in writing, the Board shall meet and one-third of the members shall constitute a quorum.

The House bill permitted members of the Board who are not regular full-time employees of the United States to receive compensation at a rate to be fixed by the President. The rate of compensation, however,

may not exceed the rate specified for grade GS-18 in section 5332 of title 5, United States Code, including travel time. Members of the Board are allowed travel expenses, including per diem in lieu of subsistence as authorized by section 5703 of title 5, United States Code, for persons employed in the service of the Federal Government.

The House bill gave the Board the responsibility for establishing general policies regarding the powers, duties, and authorities vested in the Institute under title II of this legislation. The Director was required to make available to the Board such information and assistance as may be necessary to enable the Board to carry out its functions.

Senate amendment

The Senate amendment was the same as the House bill, except for the following differences:

1. Under the Senate amendment, the Board consisted of 9 members.
2. The Senate amendment provided that the Chairman of the National Council on the Arts, and 2 members of such Council selected by the Chairman, shall be members of the Board.
3. The Senate amendment provided that the Chairman of the National Council on the Humanities, and 2 members of such Council selected by the Chairman, shall be members of the Board.
4. The Senate amendment provided that 3 additional persons who are not members of either Council would be appointed to the Board by the President, by and with the advice and consent of the Senate.
5. The Senate amendment provided that the appointed members of the Board must be broadly representative of (1) curatorial, education, and cultural resources of the United States; and (2) the general public.
6. The Senate amendment provided that, in the case of initial appointed members, one would serve for a term of 5 years, one would serve for a term of 3 years, and one would serve for a term of one year.
7. The Senate amendment provided that 5 members would constitute a quorum.
8. The Senate amendment provided that the Board must meet whenever 5 members request a meeting, in which case 5 members would constitute a quorum.
9. The Senate amendment required the Board to take steps to coordinate the policy of the Institute with other activities of the Federal Government.

Conference substitute

The conference substitute is the same as the House bill, except for the following differences:

1. The conference substitute provides that the following persons may serve as nonvoting members of the Board: the Chairman of the National Endowment for the Arts, the Chairman of the National Endowment for the Humanities, the Secretary of the Smithsonian Institution, the Director of the National Science Foundation, and the Commissioner of Education.

2. The conference substitute provides that, of the members first appointed to the Board, 3 shall serve for terms of 5 years. This provision was not included in the House bill.

3. The conference substitute provides that the Board shall meet whenever one-third of the appointed members of the Board requests a meeting in writing. In the case of any such meeting, 8 appointed members of the Board shall constitute a quorum.

4. The conference substitute retains the Senate amendment relating to coordination of policy.

DIRECTOR OF THE INSTITUTE

House bill

The House bill provided that the Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall serve at the pleasure of the President. The Director was required to perform such duties and exercise such powers as the Board may prescribe.

The House bill also provided for a Deputy Director of the Institute appointed by the President. The Deputy Director was required to exercise such powers as the Director may prescribe, and was required to serve as Director during the absence or disability of the Director, or in the event of a vacancy in the office of Director.

Senate amendment

The Senate amendment was the same as the House bill, except for the following differences:

1. The Senate amendment provided that the Director of the Institute would be compensated at the rate of level V of the Executive Schedule.
2. The Senate amendment did not establish the position of Deputy Director of the Institute.
3. The Senate amendment required the Director to advise the Board regarding policies of the Institute to assure that the advice would be coordinated with the advice of certain agencies and organizations of the Federal Government.

Conference substitute

The conference substitute is the same as the House bill, except for the following differences:

1. The conference substitute retains the Senate amendment provision relating to the compensation of the Director of the Institute.
2. The conference substitute provides that the Director must report to the Secretary of Health, Education, and Welfare with respect to the activities of the Institute. The conference substitute also provides that the Director shall not delegate any of his functions to any other officer who is not directly responsible to the Director.
3. The conference substitute does not establish, in law, the position of Deputy Director of the Institute. The conferees intend that the Director and the Board should determine the necessity for the establishment of this position.
4. The conference substitute retains the Senate amendment provision requiring the Director to advise the Board regarding policy of the Institute to assure appropriate coordination.

ACTIVITIES OF THE INSTITUTE

House bill

The House bill permitted the Director (with the advice of the Board) to make grants to museums to increase and improve museum services through such activities as (1) programs for the construction of displays and exhibitions; (2) assistance for staff development; (3) assistance regarding administrative costs; (4) assistance regarding the development of traveling exhibitions; (5) assistance regarding the

conservation of artifacts and art objects; and (6) assistance regarding the development of specified programs.

The House bill also provided that grants may not exceed 75 percent of the cost of the program involved.

Senate amendment

The Senate amendment was the same as the House bill, except for the following differences:

1. The Senate amendment provided that the Director may make grants subject to the management of the Board, rather than subject to the advice of the Board.
2. The Senate amendment provided that a grant may not exceed 50 percent of the cost of any program.
3. The Senate amendment provided that the ceiling on grant amounts applies for any fiscal year. The provision in the House bill did not refer to fiscal years.

Conference substitute

The conference substitute is the same as the House bill, except for the following differences:

1. The conference substitute provides that the Director may make grants subject to the policy direction of the Board.
2. The conference substitute provides that a grant may not exceed 50 percent of the cost of any program, except that not more than 20 percent of funds available for any fiscal year may be available for grants in that fiscal year without regard to the 50 percent limitation.
3. The conference substitute retains the Senate amendment provision which clarified that the ceiling on grant amounts applies for any fiscal year.

FUNCTIONS OF FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES

House bill

The House bill amended section 9(c) of the Act to require the Federal Council on the Arts and the Humanities to advise and consult with the Board and with the Director on major problems arising in carrying out the purposes of the Institute. Such Council was also required to coordinate the policies and operations of the Institute with the policies and operations of the National Endowment for the Arts and the National Endowment for the Humanities. Such Council was also required to promote coordination between the programs and activities of the Institute and related programs and activities of other Federal agencies.

Senate amendment

The Senate amendment did not contain the amendment made by the House bill. The Senate amendment, however, required the Board to take steps to coordinate the policies of the Institute with other activities of the Federal Government and required the Director to advise the Board regarding policies of the Institute to ensure that the activities of the Institute are coordinated with activities of Federal agencies and organizations.

Conference substitute

The conference substitute incorporates the approaches taken by both the House bill and the Senate amendment.

AUTHORIZATION OF APPROPRIATIONS

House bill

The House bill authorized the following amounts for grants for the museum program: \$15,000,000 for fiscal year 1977, \$25,000,000 for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980.

The House bill also authorized to be appropriated for the period beginning on the date of enactment of this legislation and ending October 1, 1978, an amount equal to amounts contributed to the Institute during such period under section 207 of this legislation.

Amounts appropriated under the House bill were required to be used for the purpose of enabling the Institute to carry out its functions under title II of this legislation.

Senate amendment

The Senate amendment was the same as the House bill, except for the following differences:

1. The Senate amendment authorized such sums as may be necessary to administer the museum services program. Under the House bill, funds for administration would be drawn from the general authorization.

2. The Senate amendment provided that sums appropriated for any fiscal year shall remain available for obligation and expenditure until expended.

3. Regarding authorizations for amounts equal to amounts contributed under section 207, the cutoff date in the Senate amendment was October 1, 1980.

Conference substitute

The conference substitute is the same as the House bill, except for the following differences:

1. The conference substitute retains the Senate amendment provision relating to administration of the museum services program.

2. The conference substitute retains the Senate amendment provision relating to the availability of funds for obligation and expenditure until expended.

3. The conference substitute retains the Senate amendment provision relating to the cutoff date in connection with authorizations for amounts equal to amounts contributed under section 207.

DEFINITIONS

House bill

The House bill defined the terms "Institute", "Board", "Director", and "museum". The House bill defined the term "museum" to mean a public or private nonprofit agency organized for essentially educational and esthetic purposes which (through the use of professional staff) owns or uses tangible objects, cares for such objects, and exhibits such objects to the public on a regular basis.

Senate amendment

The Senate amendment was the same as the House bill, except for the following differences:

1. In the Senate amendment, all the definitions were contained in a separate section.

2. In defining the term "museum", the Senate amendment provided that the term means any agency or institution which owns and utilizes tangible objects for inspection.

Conference substitute

The conference substitute is the same as the House bill, except that the conference substitute follows the Senate amendment in placing all the definitions in a separate section.

TITLE III—CHALLENGE GRANT PROGRAM

ESTABLISHMENT OF PROGRAM

House bill

The House bill amended the Act by adding a new section 12. Section 12(a) permits the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities, with the advice of the National Council on the Arts and the National Council on the Humanities, to establish a program of contracts with, or grants-in-aid to, public agencies and private nonprofit organizations.

The contracts and grants-in-aid shall be for the purpose of (1) enabling cultural organizations to increase levels of support and increase the range of contributors; (2) providing administrative and management improvements for cultural organizations; (3) enabling cultural organizations to increase audience participation in, and appreciation of, programs sponsored by such organizations; (4) stimulating greater cooperation among cultural organizations; and (5) fostering greater citizen involvement in planning the cultural development of a community.

Section 12(b) limits the total amount of any payment under section 12 to 50 percent of the cost of the program involved.

Section 12(c) provides that the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities shall, in carrying out the program under section 12, have the same authority as is established in section 10 of the Act.

Senate amendment

The Senate amendment differed from the House bill in these respects:

1. The Senate amendment established the program through inclusion of a separate title in this legislation, rather than through an amendment to the Act.

2. The Senate amendment authorized only the Chairman of the National Endowment for the Arts to establish and carry out a separate program similar to the provisions of the House bill.

3. The Senate amendment authorized a program of bicentennial challenge grants to be carried out by the Chairman of the National Endowment for the Humanities, designed to (1) maintain and strengthen democratic processes through the encouragement of citizen participation; (2) develop innovative insights regarding the resolution of social, political, and economic problems; and (3) develop new approaches for citizen involvement in the democratic system.

4. The Senate amendment authorized to be appropriated to both the National Endowment for the Arts and the National Endowment

for the Humanities, for each fiscal year ending before October 1, 1981, an amount equal to amounts received by the Endowment for bicentennial challenge grants pursuant to section 10(a) of the Act. Appropriated amounts could not exceed the following limitations for either Endowment: (1) \$15,000,000 for fiscal year 1977; (2) \$20,000,000 for fiscal year 1978; and (3) such sums as may be necessary for fiscal years 1979 and 1980.

5. The Senate amendment provided that Federal payments for any program or project could not exceed 50 percent of the total cost of the program or project. The Senate amendment, however, permitted the Chairman of the National Endowment for the Humanities to waive this requirement if he determines that highly meritorious proposals for grants and contracts could not otherwise be supported.

6. The Senate amendment provided that the Chairman of the National Endowment for the Arts must establish the program with the advice of the National Council on the Arts. Under the House bill, this requirement was imposed upon the Chairmen of both the National Endowment for the Arts and the National Endowment for the Humanities.

7. In discussing the purposes of the grants and contracts, the Senate amendment provided that the grants and contracts would be made to stimulate greater collaboration and cooperation among cultural organizations and institutions. The House bill contained the same provision, but the House bill did not use the term "collaboration".

8. With respect to the matching funds provision, the Senate amendment provided that the matching funds provision may be waived, with respect to not more than 20 percent of funds appropriated in any fiscal year, if the Chairman of the National Endowment for the Arts determines that highly meritorious proposals could not be supported without such a waiver. The waiver by the Chairman must be made with the advice of the National Council on the Arts.

9. The Senate amendment provided that section 5(i) of the Act (relating to minimum wage and safe working conditions requirements) and section 5(j) of the Act (relating to Davis-Bacon Act requirements) shall apply to the program.

Conference substitute

The conference substitute establishes a separate challenge grant program under the basic authority of each Endowment. In addition, the conference substitute authorizes the funding of bicentennial projects by the National Endowment for the Humanities. The Chairman of the National Endowment for the Humanities, with the advice of the National Council on the Humanities, will make appropriate determinations regarding the distribution of funds under section 7(h)(1), taking cognizance of section 7(h)(1)(F) of the Act, dealing with bicentennial programs. The Chairman, with the advice of the Council, may waive up to 15 percent of the matching requirements with respect to the funding of bicentennial projects.

In creating two separate challenge programs, the conferees wish to stress that each Endowment carry out two distinctly different missions relating to the arts and the humanities, as defined in section 3(a) and section 3(b) of the Act. Two wholly different programs will result, based on these distinct missions, and the authority pursuant to section

7(h)(1) for bicentennial programs which applies to the National Endowment for the Humanities.

AUTHORIZATION OF APPROPRIATIONS

House bill

The House bill amended section 11(a) of the Act to authorize to be appropriated for each fiscal year ending before October 1, 1981, an amount equal to the amounts received by the National Endowment for the Arts and the National Endowment for the Humanities for the purposes set forth in section 12(a) of the Act. The amendment, however, established the following ceilings for such authorization: \$15,000,000 for fiscal year 1977, and \$20,000,000 for fiscal year 1978. Such sums as may be necessary were authorized for fiscal years 1979 and 1980. The amendment also provided that sums appropriated for any fiscal year shall remain available for obligation and expenditure until expended, and that sums available to one Endowment may be transferred to the other Endowment upon mutual agreement by the Endowments.

Senate amendment

The Senate amendment differed from the House bill in the following respects:

1. Separate authorizations were made to the National Endowment for the Arts and the National Endowment for the Humanities.

2. Since separate authorizations were provided, the Senate amendment did not provide that appropriated funds may be transferred between the two Endowments by mutual agreement.

Conference substitute

The conference substitute provides for separate authorizations as follows: \$12,000,000 for the National Endowment for the Arts for fiscal year 1977, \$18,000,000 for fiscal year 1978, and such sums as may be necessary for the following two fiscal years. The conference substitute makes the same authorizations for the National Endowment for the Humanities. The conference substitute also provides that, if the Chairman of either Endowment determines at the end of the ninth month of any fiscal year that funds available to the Endowment cannot be used, the Chairman must transfer such funds to the other Endowment.

TITLE IV—AMERICAN BICENTENNIAL PHOTOGRAPHY AND FILM PROJECT

House bill

No provision.

Senate amendment

The Senate amendment established a bicentennial photography and film project in order to create a photographic and film portrait of the people and communities of the United States. The Senate amendment authorized the following amounts to be appropriated to the National Endowment for the Arts to carry out the project: (1) \$5,000,000 for each of fiscal years 1977 and 1978; and (2) such sums as may be necessary for fiscal years 1979 and 1980. One-fifth of appropriated amounts was reserved for a national photography and film project.

The remainder was apportioned to the States as follows: (1) the first \$3,000,000 was allocated to the States in equal amounts; and (2) the remainder was apportioned on the basis of population.

CLAIBORNE PELL,
GAYLORD NELSON,
TOM EAGLETON,
WALTER F. MONDALE,
WILLIAM D. HATHAWAY,
HARRISON A. WILLIAMS, JR.
J. K. JAVITS,
BOB TAFT, JR.
ROBERT T. STAFFORD,
Managers on the Part of the Senate.

CARL D. PERKINS,
JOHN BRADEMAS,
PATSY T. MINK,
LLOYD MEEDS,
SHIRLEY CHISHOLM,
WILLIAM LEHMAN,
ROBERT J. CORNELL,
EDWARD P. BEARD,
LEO C. ZEFERETTI,
GEORGE MILLER,
TIM L. HALL,
ALBERT H. QUIE,
ALPHONZO BELL,
PETER A. PEYSER,
JAMES M. JEFFORDS,
LARRY PRESSLER,
Managers on the Part of the House.

Conference substitute

The House recedes with an amendment establishing a 2-year bi-centennial photographic and film project. The conference substitute authorizes to be appropriated to the National Endowment for the Arts \$4,000,000 for fiscal year 1977, and \$2,000,000 for fiscal year 1978, in order to carry out the project. Not more than 75 percent of appropriated amounts shall be allocated to States in equal amounts in 1977, and not more than 50 percent of appropriated amounts shall be allocated to States in equal amounts for fiscal year 1978.

TITLE V—ARTS EDUCATION

House bill

No provision.

Senate amendment

The Senate amendment established a program to provide financial assistance to improve the quality and availability of arts education. The Senate amendment authorized the following amounts to be appropriated to carry out the program: (1) \$10,000,000 for each of fiscal years 1977 and 1978; and (2) such sums as may be necessary for fiscal years 1979 and 1980.

Conference substitute

The House recedes with an amendment which amends section 409 of the Education Amendments of 1974 (relating to elementary and secondary school education in the arts) to authorize the appropriation of \$2,000,000 for fiscal year 1978 to carry out the purposes of such section. This authorization is in addition to any other sums reserved to carry out the purposes of section 409.

○

ARTS, HUMANITIES, AND CULTURAL AFFAIRS ACT OF
1976

SEPTEMBER 20, 1976.—Ordered to be printed

Mr. PERKINS, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 12838]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12838) to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Arts, Humanities, and Cultural Affairs Act of 1976".

TITLE I—ARTS AND HUMANITIES

**SCOPE OF PROGRAMS CARRIED OUT BY CHAIRMAN OF NATIONAL ENDOWMENT
FOR THE ARTS**

Sec. 101. Section 5(c) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by striking out "in the United States".

ALLOTMENTS FOR PROJECTS AND PRODUCTIONS RELATING TO THE ARTS

Sec. 102. Section 5(g)(4)(A) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting immediately after "(4)(A)" the following new sentence: "The amount of each allotment to a State for any fiscal year under this subsection shall be available to each State, which has a plan approved by the Chairman in effect on the first day of such fiscal year, to pay not more than 50 per centum of the total cost of any project or production described in paragraph (1)."

APPOINTMENT OF MEMBERS OF NATIONAL COUNCIL ON ARTS AND NATIONAL
COUNCIL ON HUMANITIES

SEC. 103. (a) The first sentence of section 6(b) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting "by and with the advice and consent of the Senate," immediately after "President".

(b) The first sentence of section 8(b) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting "by and with the advice and consent of the Senate," immediately after "President".

STATE HUMANITIES PROGRAM

SEC. 104. (a) Section 7 of the National Foundation on the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new subsection:

"(f)(1) The Chairman, with the advice of the National Council on the Humanities, is authorized, in accordance with the provisions of this subsection, to establish and carry out a program of grants-in-aid in each of the several States in order to support not more than 50 per centum of the cost of existing activities which meet the standards enumerated in subsection (c) of this section, and in order to develop a program in the humanities in such a manner as will furnish adequate programs in the humanities in each of the several States.

"(2) In order to receive Federal financial assistance under this subsection in any fiscal year, any appropriate entity desiring to receive such assistance shall submit an application for such grants at such time as shall be specified by the Chairman. Each such application shall be accompanied by a plan which the Chairman finds—

"(A) provides assurances that the grant recipient will comply with the requirements of paragraph (3) of this subsection;

"(B) provides that funds paid to the grant recipient will be expended solely on programs which carry out the objectives of subsection (c) of this section;

"(C) establishes a membership policy which is designed to assure broad public representation with respect to programs administered by such grant recipient;

"(D) provides a nomination process which assures opportunities for nomination to membership from various groups within the State involved and from a variety of segments of the population of such State, and including individuals who by reason of their achievement, scholarship, or creativity in the humanities, are especially qualified to serve;

"(E) provides for a membership rotation process which assures the regular rotation of the membership and officers of such grant recipient and which complies with the provisions of paragraph (3)(C) of this subsection;

"(F) establishes reporting procedures which are designed to inform the chief executive officer of the State involved, and other appropriate officers and agencies, of the activities of such grant recipient;

"(G) establishes procedures to assure public access to information relating to such activities; and

"(H) provides that such grant recipient shall make reports to the Chairman, in such form, at such times, and containing such information, as the Chairman may require.

"(3)(A) Whenever a State desires that an appropriate officer or agency of such State appoint 50 per centum of the membership of the governing body of the grant recipient involved, such State shall—

"(i) for the first fiscal year with respect to which such State desires to make such appointments, match, from State funds, 50 per centum of that portion of the Federal financial assistance received by such grant recipient under this subsection which exceeds \$100,000;

"(ii) for the second fiscal year with respect to which such State desires to make such appointments, match, from State funds, that portion of the Federal financial assistance received by such grant recipient under this subsection which exceeds \$100,000; and

"(iii) with respect to each fiscal year thereafter, match, from State funds, the total amount of Federal financial assistance received by such grant recipient under this subsection for the fiscal year involved.

"(B) In any State in which the State does not desire to comply with the requirements of subparagraph (A) of this paragraph, the grant recipient shall—

"(i) establish a procedure which assures that two members of the governing body of such grant recipient shall be appointed by an appropriate officer or agency of such State; and

"(ii) provide, from any source, an amount equal to the total amount of Federal financial assistance received by such grant recipient under this subsection in the fiscal year involved.

"(C) In any fiscal year in which a State fails to meet the matching requirement from State funds made by subparagraph (A) of this paragraph, the number of members on the governing body of the grant recipient who were appointed by an appropriate officer or agency of such State shall be reduced so that the governing body complies with the provisions of subparagraph (B) of this paragraph.

"(4) Of the sums available to carry out this subsection for any fiscal year, each grant recipient which has a plan approved by the Chairman shall be allotted at least \$200,000. If the sums appropriated are insufficient to make the allotments under the preceding sentence in full, such sums shall be allotted among such grant recipients in equal amounts. In any case where the sums available to carry out this subsection for any fiscal year are in excess of the amount required to make the allotments under the first sentence of this paragraph—

"(A) the amount of such excess which is no greater than 25 per centum of the sums available to carry out this subsection for any fiscal year shall be available to the Chairman for making grants under this subsection to entities applying for such grants;

"(B) the amount of such excess, if any, which remains after reserving in full for the Chairman the amount required under subparagraph (A) shall be allotted among the grant recipients which have plans approved by the Chairman in equal amounts, but in no event shall any grant recipient be allotted less than \$200,000.

"(5)(A) Whenever the provisions of paragraph (3)(B) of this subsection apply in any State, that part of any allotment made under paragraph (4) for any fiscal year—

"(i) which exceeds \$125,000, but

"(ii) which does not exceed 20 per centum of such allotment, shall be available, at the discretion of the Chairman, to pay up to 100 per centum of the cost of programs under this subsection if such programs would otherwise be unavailable to the residents of that State.

"(B) Any amount allotted to a State under the first sentence of paragraph (4) for any fiscal year which is not obligated by the grant recipient prior to sixty days prior to the end of the fiscal year for which such sums are appropriated shall be available to the Chairman for making grants to regional groups.

"(C) Funds made available under this subsection shall not be used to supplant non-Federal funds.

"(D) For the purposes of this paragraph, the term 'regional group' means any multistate group, whether or not representative of contiguous States.

"(6) All amounts allotted or made available under paragraph (4) for a fiscal year which are not granted to any entity during such fiscal year shall be available to the National Endowment for the Humanities for the purpose of carrying out subsection (c).

"(7) Whenever the Chairman, after reasonable notice and opportunity for hearing, finds that—

"(A) a grant recipient is not complying substantially with the provisions of this subsection;

"(B) a grant recipient is not complying substantially with terms and conditions of its plan approved under this subsection; or

"(C) any funds granted to any grant recipient under this subsection have been diverted from the purposes for which they are allotted or paid,

the Chairman shall immediately notify the Secretary of the Treasury and the grant recipient with respect to which such finding was made that no further grants will be made under this subsection to such grant recipient until there is no longer a default or failure to comply or the diversion has been corrected, or, if the compliance or correction is impossible, until such grant recipient repays or arranges the repayment of the Federal funds which have been improperly diverted or expended.

"(8) Except as provided in paragraphs (4), (5), and (6), the Chairman may not make grants under this subsection to more than one entity in any State."

(b) The amendment made by subsection (a) shall be effective with respect to fiscal year 1977 and succeeding fiscal years.

PAYMENT OF PERFORMERS AND SUPPORTING PERSONNEL

SEC. 105. Section 7 of the National Foundation on the Arts and the Humanities Act of 1965, as amended by section 104(a), is further amended by adding at the end thereof the following new subsection:

"(g) It shall be a condition of the receipt of any grant under this section that the group, individual, or State entity receiving such grant furnish adequate assurances to the Secretary of Labor that (1) all professional performers and related or supporting professional personnel employed on projects or productions which are financed in whole or in part under this section will be paid, without subsequent deduction or rebate on any account, not less than the minimum compensation as determined by the Secretary of Labor to be the prevailing minimum compensation for persons employed in similar activities; and (2) no part of any project or production which is financed in whole or in part under this section will be performed or engaged in under working conditions which are unsanitary or hazardous or dangerous to the health and safety of the employees engaged in such project or production. Compliance with

the safety and sanitary laws of the State in which the performance or part thereof is to take place shall be prima facie evidence of compliance. The Secretary of Labor shall have the authority to prescribe standards, regulations, and procedures as he may deem necessary or appropriate to carry out the provisions of this subsection."

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 106. (a)(1)(A) Section 11(a)(1)(A) of the National Foundation on the Arts and the Humanities Act of 1965 is amended to read as follows:

"SEC. 11. (a)(1)(A) For the purpose of carrying out section 5(c), there are authorized to be appropriated \$93,500,000 for fiscal year 1977, \$105,000,000 for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980. Of the sums so appropriated for any fiscal year, not less than 20 per centum shall be for carrying out section 5(g)."

(B) Section 11(a)(1)(B) of such Act is amended by striking out all that follows "Humanities" and inserting in lieu thereof the following: "\$93,500,000 for fiscal year 1977, \$105,000,000 for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980. Of the sums so appropriated for any fiscal year, not less than 20 per centum shall be for carrying out section 7(f)."

(2) Section 11 (a) (2) of such Act is amended (A) by striking out "July 1, 1976" and inserting in lieu thereof "October 1, 1980"; and (B) by striking out all that follows "not exceed" and inserting in lieu thereof "\$20,000,000 for fiscal year 1977, \$25,000,000 for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980."

(3) Section 11(c) of such Act is amended by inserting before the period a comma and the following: "or any other program for which the Chairman of the National Endowment for the Arts or the Chairman of the National Endowment for the Humanities is responsible".

(b) The amendments made by subsection (a) shall be effective with respect to fiscal year 1977 and succeeding fiscal years.

TITLE II—MUSEUM SERVICES

SHORT TITLE

SEC. 201. This title may be cited as the "Museum Services Act".

PURPOSE

SEC. 202. It is the purpose of this title to encourage and assist museums in their educational role, in conjunction with formal systems of elementary, secondary, and post-secondary education and with programs of non-formal education for all age groups; to assist museums in modernizing their methods and facilities so that they may be better able to conserve our cultural, historic, and scientific heritage; and to ease the financial burden borne by museums as a result of their increasing use by the public.

INSTITUTE OF MUSEUM SERVICES

SEC. 203. There is hereby established, within the Department of Health, Education, and Welfare, an Institute of Museum Services. The Institute shall consist of a National Museum Services Board and a Director of the Institute.

NATIONAL MUSEUM SERVICES BOARD

SEC. 204. (a)(1) *The Board shall consist of fifteen members appointed by the President, by and with the advice and consent of the Senate. Such members shall be broadly representative of various museums, including museums relating to science, history, technology, art, zoos, and botanical gardens, of the curatorial, educational, and cultural resources of the United States, and of the general public.*

(2)(A) *In addition to members appointed by the President under paragraph (1), the following persons shall serve as members of the Board—*

- (i) *the Chairman of the National Endowment for the Arts;*
- (ii) *the Chairman of the National Endowment for the Humanities;*
- (iii) *the Secretary of the Smithsonian Institution;*
- (iv) *the Director of the National Science Foundation; and*
- (v) *the Commissioner of Education.*

(B) *The members of the Board listed in clause (i) through clause (v) of subparagraph (A) shall be nonvoting members.*

(b) *The term of office of the appointed members of the Board shall be five years, except that—*

(1) *any such member appointed to fill a vacancy shall serve only such portion of a term as shall not have expired at the time of such appointment; and*

(2) *in the case of initial members, three shall serve for terms of five years, three shall serve for terms of four years, three shall serve for terms of three years, three shall serve for terms of two years, and three shall serve for terms of one year, as designated by the President at the time of nomination for appointment.*

Any appointed member who has been a member of the Board for more than seven consecutive years shall thereafter be ineligible for reappointment to the Board during the three-year period following the expiration of the last such consecutive year.

(c) *The Chairman of the Board shall be designated by the President from among the appointed members of the Board. Eight appointed members of the Board shall constitute a quorum.*

(d) *The Board shall meet at the call of the Chairman, except that—*

(1) *it shall meet not less than four times each year; and*

(2) *it shall meet whenever one-third of the appointed members request a meeting in writing, in which event eight of the appointed members shall constitute a quorum.*

(e) *Members of the Board who are not in the regular full-time employ of the United States shall receive, while engaged in the business of the Board, compensation for service at a rate to be fixed by the President, except that such rate shall not exceed the rate specified at the time of such service for grade GS-18 set forth in section 5332 of title 5, United States Code, including traveltime, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed in Government service.*

(f) *The Board shall have the responsibility for the general policies with respect to the powers, duties, and authorities vested in the Institute under this title. The Director shall make available to the Board such information and assistance as may be necessary to enable the Board to carry out its functions.*

(g) *The Board shall, with the advice of the Director, take steps to assure that the policies and purposes of the Institute are coordinated with other activities of the Federal Government.*

DIRECTOR OF THE INSTITUTE

SEC. 205. (a)(1) *The Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. The Director shall be compensated at the rate provided for level V of the Executive Schedule (5 U.S.C. 5316), and shall perform such duties and exercise such powers as the Board may prescribe.*

(2) *The Director shall report to the Secretary of Health, Education, and Welfare with respect to the activities of the Institute. The Director shall not delegate any of his functions to any other officer who is not directly responsible to the Director.*

(b) *The Director shall advise the Board regarding policies of the Institute to assure coordination of the Institute's activities with other agencies and organizations of the Federal Government having interest in and responsibilities for the improvement of museums. Such Government agencies shall include the National Endowment for the Arts, the National Endowment for the Humanities, the National Science Foundation, appropriate units in the Department of Health, Education, and Welfare, the Library of Congress, and the Smithsonian Institution and related organizations.*

ACTIVITIES OF THE INSTITUTE

SEC. 206. (a) *The Director, subject to the policy direction of the Board, is authorized to make grants to museums to increase and improve museum services, through such activities as—*

(1) *programs to enable museums to construct or install displays, interpretations, and exhibitions in order to improve their services to the public;*

(2) *assisting them in developing and maintaining professionally-trained or otherwise experienced staff to meet their needs;*

(3) *assisting them to meet their administrative costs in preserving and maintaining their collections, exhibiting them to the public, and providing educational programs to the public through the use of their collections;*

(4) *assisting museums in cooperation with each other in the development of traveling exhibitions, meeting transportation costs, and identifying and locating collections available for loan;*

(5) *assisting them in conservation of artifacts and art objects; and*

(6) *developing and carrying out specialized programs for specific segments of the public, such as programs for urban neighborhoods, rural areas, Indian reservations, and penal and other State institutions.*

(b) *Grants under this section for any fiscal year may not exceed 50 per centum of the cost of the program for which the grant is made, except that not more than 20 per centum of the funds available under this section for any fiscal year may be available for grants in such fiscal year without regard to such limitation.*

CONTRIBUTIONS

SEC. 207. *The Institute shall have authority to accept in the name of the United States, grants, gifts, or bequests of money for immediate*

disbursement in furtherance of the functions of the Institute. Such grants, gifts, or bequests, after acceptance by the Institute, shall be paid by the donor or his representative to the Treasurer of the United States whose receipt shall be their acquittance. The Treasurer of the United States shall enter them in a special account to the credit of the Institute for the purposes in each case specified.

FUNCTIONS OF FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES

SEC. 208. Section 9(c) of the National Foundation on the Arts and the Humanities Act of 1965 is amended—

(1) by redesignating paragraph (2) through paragraph (4) as paragraph (3) through paragraph (5), respectively, and by inserting immediately after paragraph (1) the following new paragraph:

“(2) advise and consult with the National Museum Services Board and with the Director of the Institute of Museum Services on major problems arising in carrying out the purposes of such Institute;”;

(2) in paragraph (3) thereof, as so redesignated by paragraph (1), by striking out “and” immediately after “Arts” and inserting in lieu thereof a comma, and by inserting “and the Institute of Museum Services,” immediately after “Humanities;” and

(3) in paragraph (4) thereof, as so redesignated by paragraph (1), by inserting “and the Institute of Museum Services” immediately after “Foundation”.

AUTHORIZATION OF APPROPRIATIONS

SEC. 209. (a) For the purpose of making grants under section 206(a), there are authorized to be appropriated \$15,000,000 for fiscal year 1977, \$25,000,000 for fiscal year 1978, and such sums as may be necessary for each of fiscal years 1979 and 1980.

(b) There are authorized to be appropriated such sums as may be necessary to administer the provisions of this title.

(c) Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation and expenditure until expended.

(d) For the purpose of enabling the Institute to carry out its functions under this title, during the period beginning on the date of the enactment of this Act and ending October 1, 1980, there is authorized to be appropriated an amount equal to the amount contributed during such period to the Institute under section 207.

DEFINITIONS

SEC. 210. For the purpose of this title, the term—

(1) “Board” means the National Museum Services Board established under section 203;

(2) “Director” means the Director of the Institute established under section 203;

(3) “Institute” means the Institute of Museum Services established under section 203; and

(4) “museum” means a public or private nonprofit agency or institution organized on a permanent basis for essentially educational or esthetic purposes, which, utilizing a professional staff, owns or utilizes tangible objects, cares for them, and exhibits them to the public on a regular basis.

TITLE III—CHALLENGE GRANT PROGRAMS

ESTABLISHMENT OF PROGRAMS

SEC. 301. (a) Section 5 of the National Foundation on the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new subsection:

“(b)(1) The Chairman of the National Endowment for the Arts, with the advice of the National Council on the Arts, is authorized, in accordance with the provisions of this subsection, to establish and carry out a program of contracts with, or grants-in-aid to, public agencies and private nonprofit organizations for the purpose of—

“(A) enabling cultural organizations and institutions to increase the levels of continuing support and to increase the range of contributors to the programs of such organizations or institutions;

“(B) providing administrative and management improvements for cultural organizations and institutions, particularly in the field of long-range financial planning;

“(C) enabling cultural organizations and institutions to increase audience participation in, and appreciation of, programs sponsored by such organizations and institutions;

“(D) stimulating greater cooperation among cultural organizations and institutions especially designed to serve better the communities in which such organizations or institutions are located; and

“(E) fostering greater citizen involvement in planning the cultural development of a community.

“(2) The total amount of any payment made under this subsection for a program or project may not exceed 50 per centum of the cost of such program or project.

“(3) In carrying out the program authorized by this subsection, the Chairman of the National Endowment for the Arts shall have the same authority as is established in section 5(c) and section 10.”

(b) Section 7 of the National Foundation on the Arts and the Humanities Act of 1965, as amended by section 105, is further amended by adding at the end thereof the following new subsection:

“(h)(1) The Chairman of the National Endowment for the Humanities, with the advice of the National Council on the Humanities, is authorized, in accordance with the provisions of this subsection, to establish and carry out a program of contracts with, or grants-in-aid to, public agencies and private nonprofit organizations for the purpose of—

“(A) enabling cultural organizations and institutions to increase the levels of continuing support and to increase the range of contributors to the program of such organizations or institutions;

“(B) providing administrative and management improvements for cultural organizations and institutions, particularly in the field of long-range financial planning;

“(C) enabling cultural organizations and institutions to increase audience participation in, and appreciation of, programs sponsored by such organizations and institutions;

“(D) stimulating greater cooperation among cultural organizations and institutions especially designed to serve better the communities in which such organizations or institutions are located;

“(E) fostering greater citizen involvement in planning the cultural development of a community; and

"(F) for bicentennial programs, assessing where our society and Government stand in relation to the founding principles of the Republic, primarily focused on projects which will bring together the public and private citizen sectors in an effort to find new processes for solving problems facing our Nation in its third century.

"(2) (A) Except as provided in subparagraph (B) of this paragraph, the total amount of any payment made under this subsection for a program or project may not exceed 50 per centum of the cost of such program or project.

"(B) The Chairman, with the advice of the Council, may waive all or part of the requirement of matching funds provided in subparagraph (A) of this paragraph, but only for the purposes described in clause (F) of paragraph (1), whenever he determines that highly meritorious proposals for grants and contracts under such clause could not otherwise be supported from non-Federal sources or from Federal sources other than funds authorized by section 11(a)(3), unless such matching requirement is waived. Such waiver may not exceed 15 per centum of the amount appropriated in any fiscal year and available to the National Endowment on the Humanities for the purpose of this subsection.

"(3) In carrying out the program authorized by this subsection, the Chairman of the National Endowment for the Humanities shall have the same authority as is established in section 7(c) and section 10."

AUTHORIZATION OF APPROPRIATIONS

SEC. 302. Section 11(a) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new paragraph:

"(3) (A) There is authorized to be appropriated for each fiscal year ending before October 1, 1980, to the National Endowment for the Arts an amount equal to the total amounts received by such Endowment for the purposes set forth in section 5(l)(1) pursuant to the authority of section 10(a)(2), except that the amount so appropriated to such Endowment shall not exceed \$12,000,000 for fiscal year 1977, and \$18,000,000 for fiscal year 1978. Such sums as may be necessary are authorized to be appropriated for fiscal years 1979 and 1980.

"(B) There are authorized to be appropriated for each fiscal year ending before October 1, 1980, to the National Endowment for the Humanities an amount equal to the total amounts received by such Endowment for the purposes set forth in section 7(h)(1) pursuant to the authority of section 10(a)(2), except that the amount so appropriated to such Endowment shall not exceed \$12,000,000 for fiscal year 1977, and \$18,000,000 for fiscal year 1978. Such sums as may be necessary are authorized to be appropriated for fiscal years 1979 and 1980.

"(C) If either Chairman determines at the end of the ninth month of any fiscal year that funds which would otherwise be available under this paragraph to an Endowment cannot be used, he shall transfer such funds to the other Endowment for the purposes described in section 5(l)(1) or section 7(h)(1), as may be necessary.

"(D) Sums appropriated pursuant to subparagraph (A) and subparagraph (B) for any fiscal year shall remain available for obligation and expenditure until expended."

TITLE IV—AMERICAN BICENTENNIAL PHOTOGRAPHY AND FILM PROJECT

AMERICAN BICENTENNIAL PHOTOGRAPHY AND FILM PROJECT

SEC. 401. (a) Section 5 of the National Foundation on the Arts and the Humanities Act of 1965, as amended by section 301(a), is further amended by adding at the end thereof the following new subsection:

"(m)(1) From funds appropriated to the Endowment and apportioned to each State pursuant to section 11(a)(4), the Endowment is authorized to provide, by grant or contract, financial assistance to the State arts agency of each State, pursuant to such regulations and guidelines as the Endowment shall establish, to permit such State agency to support one or more photography or film projects meeting the purposes of this subsection. Such assistance shall also be available for acquiring essential supplies, and for administrative or supervisory personnel, and for processing and cataloging, and for the display (and related activities) of the photographs and films produced with assistance under this subsection.

"(2) (A) No financial assistance may be made under this subsection unless an application is made at such time, in such manner, and containing or accompanied by such information, as the Endowment determines is reasonably necessary.

"(B) In providing financial assistance under this subsection, each State shall give consideration to proposals which involve promising and qualified photographers or film makers who are unemployed or underemployed.

"(3) From funds allotted to the Endowment pursuant to section 11(a)(4), the Endowment shall pay the costs of administration, provide for collection and dissemination of a representative collection of photographs and films produced pursuant to this subsection, and provide direct assistance to applicants for photography or film projects of special merit which meet the purposes of this subsection. The Endowment shall assure that representative photographs and films (including, where appropriate, negatives) produced with assistance furnished under this subsection are made available for the permanent collection of the Library of Congress."

(b) Section 11(a) of the National Foundation on the Arts and the Humanities Act of 1965, as amended by section 302, is further amended by adding at the end thereof the following new paragraph:

"(4) (A) For the purposes of carrying out section 5(m), there are authorized to be appropriated to the National Endowment for the Arts \$4,000,000 for fiscal year 1977 and \$2,000,000 for fiscal year 1978. Sums appropriated pursuant to this subparagraph shall remain available until expended.

"(B) Not more than 75 per centum of the amounts appropriated pursuant to subparagraph (A) shall be allocated among the States in equal amounts for fiscal year 1977, and not more than 50 per centum of the amounts appropriated pursuant to subparagraph (A) shall be allocated among the States in equal amounts for fiscal year 1978."

TITLE V—ARTS EDUCATION

AMENDMENT TO THE EDUCATION AMENDMENTS OF 1974

SEC. 501. Section 409 of the Education Amendments of 1974 is amended by inserting "(a)" after the section designation and by adding at the end thereof the following new subsection:

"(b) Notwithstanding the provisions of section 402(b)(3)(G) and section 402(b)(4) of this Act, and in addition to sums reserved under that section and made available under subsection (a) of this section, there are authorized to be appropriated \$2,000,000 for fiscal year 1978 to carry out the purposes of this section."

And the Senate agree to the same.

CARL D. PERKINS,
JOHN BRADEMAS,
PATSY T. MINK,
LLOYD MEEDS,
SHIRLEY CHISHOLM,
WILLIAM LEHMAN,
ROBERT J. CORNELL,
EDWARD P. BEARD,
LEO C. ZEFERETTI,
GEORGE MILLER,
TIM L. HALL,
ALBERT H. QUIE,
ALPHONZO BELL,
PETER A. PEYSER,
JAMES M. JEFFORDS,
LARRY PRESSLER,
Managers on the Part of the House.

CLAIBORNE PELL,
GAYLORD NELSON,
TOM EAGLETON,
WALTER F. MONDALE,
WILLIAM D. HATHAWAY,
HARRISON A. WILLIAMS, Jr.,
J. K. JAVITS,
BOB TAFT, Jr.,
ROBERT T. STAFFORD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12838) to amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SHORT TITLE

The House bill, the Senate amendment, and the conference substitute provide that this legislation may be cited as the "Arts, Humanities, and Cultural Affairs Act of 1976".

TITLE I—ARTS AND HUMANITIES

STATE HUMANITIES PROGRAM

House bill

The House bill authorized the Chairman of the National Endowment for the Humanities to establish programs of grants-in-aid in each of the several States to support not more than 50 percent of the cost of existing activities which meet the standards established in section 7(c) of the National Foundation on the Arts and the Humanities Act of 1965 (hereinafter in this statement referred to as the "Act"). The House bill provided that, in order to receive assistance in any fiscal year, any person or entity desiring to receive such assistance may submit an application to the Chairman.

The House bill required an applicant to submit a plan which (1) provides that funds will be used solely on programs which carry out the objectives of section 7(c); (2) establishes a membership policy designed to assure broad public representation; (3) provides a nomination process which assures nomination to membership from various groups within the State involved; (4) provides for the rotation of the membership on a regular basis; (5) establishes appropriate reporting procedures; (6) establishes procedures to assure public access to

information relating to activities carried out by the applicant; (7) provides that the applicant will make reports to the Chairman; and (8) provides that 2 members of the executive body of the applicant shall be appointed by an appropriate officer or agency of the State involved.

The House bill provided that each grant recipient which has a plan approved by the Chairman shall be allotted at least \$200,000 out of sums available to carry out subsection (f) of section 7 of the Act, as added by the House bill, in any fiscal year. An equal allocation among grant recipients must be made in any case in which insufficient sums are appropriated.

In any case in which sums available to carry out subsection (f) exceed the amount necessary to make allotments of \$200,000 to grant recipients (1) the amount of the excess which does not exceed 25 percent of the sums available to carry out subsection (f) for the fiscal year involved are made available to the Chairman for making grants under subsection (f) to persons and entities applying for grants; and (2) any remaining amount must be allotted among grant recipients which have plans approved by the Chairman in equal amounts, except that no grant recipient may receive less than \$200,000.

The House bill also provided that any part of an allotment made under subsection (f)(3) for any fiscal year which exceeds \$125,000, but which does not exceed 20 percent of the allotment, is available (at the discretion of the Chairman) to pay up to 100 percent of the cost of programs under subsection (f). This provision applies, however, only if the programs involved otherwise would not be available to residents of the State involved.

The House bill also provided that funds made available under subsection (f) may not be used to supplant non-Federal funds. Any amounts available under subsection (f)(3) for a fiscal year which are not granted to any person or entity during the fiscal year shall be available to the National Endowment for the Humanities for the purpose of carrying out section 7(c) of the Act.

The House bill also provided that whenever the Chairman, after reasonable notice and opportunity for hearing, finds that—

(1) a grant recipient is not complying substantially with the provisions of subsection (f);

(2) a grant recipient is not complying substantially with the terms and conditions of its plan; or

(3) any funds granted to any person or entity under subsection (f) have been diverted from the purposes for which such funds were allotted or paid;

the Chairman must notify the Secretary of the Treasury and the grant recipient involved that no further grants will be made under subsection (f) to the grant recipient until there is no longer a default or failure to comply or until the diversion of funds has been corrected. If it is impossible to achieve such compliance or correction, the Chairman is required to bar any further grants until the grant recipient repays or arranges for the repayment of any Federal funds which have been improperly diverted or expended.

The House bill prohibited the Chairman from making grants to more than one person or entity in any State.

The House bill provided that the amendment made by the House bill would be effective with respect to fiscal year 1977 and succeeding fiscal years.

Senate amendment

The Senate amendment differed from the House bill in the following respects:

1. The Senate amendment provided for a single program of grants-in-aid to assist the several States in supporting activities in the humanities.

2. The Senate amendment provided that only States may submit applications to the Chairman, in accordance with the laws of the State involved.

3. The Senate amendment provided that the plan which must accompany any application must be an annual plan.

4. The Senate amendment required the plan to designate one of the following entities to be the sole agency for administering the State plan: (1) an existing State agency for the arts and the humanities; (2) a State committee on the humanities or some other appropriate entity; or (3) the State humanities committee in existence on the date of the enactment of this legislation.

5. The Senate amendment provided that any funds paid to a State must be used for programs which (1) are approved by the State agency or State committee administering the State plan; and (2) carry out the objectives of 7(c) of the Act.

6. The Senate amendment provided that a State committee or similar entity may be designated if the plan (1) is submitted for the approval of the Governor of the State before it is submitted to the Chairman; (2) establishes procedures permitting the Governor to appoint a majority of the members of the committee; (3) establishes a membership policy designed to assure broad public representation; (4) provides a nomination process which assures nomination to membership from a variety of segments of the population of the State; (5) provides for rotation of the membership on a regular basis; (6) establishes adequate reporting procedures to the Governor of the State; and (7) establishes procedures for public access to information. The House bill contained similar provisions but applied them to any person or entity applying for assistance.

7. The Senate amendment provided that a State humanities committee in existence on the date of the enactment of this legislation may be designated if it submits assurances that (1) satisfactory grievance procedures have been established regarding the activities and plans of the State humanities committee; and (2) the provisions specified in paragraph 6 are met, other than the provisions of subparagraphs (1) and (2) of paragraph 6.

8. The Senate amendment provided that amounts allotted to a State which are not obligated by the State before the last 60 days of a fiscal year may be used by the Chairman to make grants to regional groups. The term "regional group" was defined to mean any multistate group, whether or not representative of contiguous States.

Conference substitute

The conference substitute retains important features of the House bill and provides incentives for State participation. It differs from the House bill in the following respects:

1. The conference substitute provides for a single program of grants-in-aid.

2. (a) The conference substitute permits a State to provide for the appointment of 50 percent of the membership of the governing body of a grant recipient in such State if the State meets the following requirements: (1) for the first fiscal year in which the State desires to make such appointments, the State must match (from State funds) 50 percent of that portion of the Federal financial assistance received by the grant recipient which exceeds \$100,000; (2) for the second fiscal year, the State must match (from State funds) 100 percent of that portion of the Federal financial assistance which exceeds \$100,000; and (3) in each fiscal year thereafter, the State must match (from State funds) the total amount of Federal financial assistance.

(b) If a State does not desire to comply with the requirements which would permit it to appoint 50 percent of the membership of the governing body of the grant recipient, the conference substitute requires the grant recipient to (1) establish a procedure under which 2 members of the governing body of the grant recipient are appointed by an appropriate officer or agency of the State; and (2) provide (from any source) an amount equal to the total amount of the Federal financial assistance received by the grant recipient.

(c) The conference substitute also provides that, in any fiscal year in which a State fails to meet the matching requirements which would permit it to appoint 50 percent of the membership of the governing body of the grant recipient, the number of members on the governing body must be reduced so that no more than 2 members of the governing body are appointees of an officer or agency of the State.

3. The conference substitute retains the provisions in the House bill and the Senate amendment which permit any part of an allotment to an entity within a State for any fiscal year which exceeds \$125,000, but which does not exceed 20 percent of the allotment, to be used to pay up to 100 percent of the cost of the program in the State involved. The conference substitute applies this provision to an entity within a State where State participation and matching is not involved. In cases where combined State and Federal support for the humanities is developed, the conferees believe that this combination can serve as a stimulus to increase private support for the humanities and to an expansion of program activities.

4. The conference substitute retains the provision of the Senate amendment relating to regional groups, under which amounts allotted to a State which are not obligated by the State before the last 60 days of a fiscal year may be used to make grants to regional groups.

The purpose of the conference agreement is to encourage and stimulate the development of a Federal-State partnership in the broad cultural areas of the humanities, so that this partnership may be increasingly beneficial to our people in each State. The conferees have taken note of the dramatic growth of the Federal-State partnership with respect to the programs of the National Endowment for the Arts, exemplified by a 15-fold increase in annual State funding for the arts in 10 years—from \$4 million to \$60 million—and by the development of more than 1,000 community arts councils. The conference agreement envisages the development of similar challenges and opportunities for the Humanities Endowment.

The Chairman of the National Endowment for the Humanities is directed to help encourage State participation and to work more

closely than in the past with State governments and State officials, so that the values, particular to the humanities, can gain better entrance to the mainstream of our democratic processes and make a more vital contribution to American life.

The Chairman is urged to study State needs in the humanities with State leaders, so that these needs can be met in the broadest sense, through programs representing the full scope of the humanities, and through programs which will be addressed to a multiplicity and variety of worthwhile projects. It is the position of the conferees that the 20 percent of the total funding allocated to the States is of deep importance in bringing the values of both the arts and the humanities into local communities and to groups whose needs may be relatively modest, but who have potentially great significance.

Existing combined State arts and humanities entities are eligible for Endowment support, provided they fully meet the provisions of section 7(f) of the Act, as added by the conference substitute.

SCOPE OF PROGRAMS CARRIED OUT BY CHAIRMAN OF NATIONAL ENDOWMENT FOR THE ARTS

House bill

The House bill eliminated the restriction that projects and productions supported by the Chairman of the National Endowment for the Arts must be located within the United States.

Senate amendment

The Senate amendment provided that grants may be made to include international activities so long as the primary purpose of the grant is to support the arts in the United States.

Conference substitute

The Senate recedes, in order to maintain consistency in the statutory language which applies to the two Endowments. The conferees, however, do not intend that either Endowment make grants or contracts which include international activities unless the primary purpose of such grants or contracts is to support the arts or the humanities in the United States.

ADMINISTRATIVE PROVISIONS WITH RESPECT TO SURPLUS PROPERTY

House bill

No provision.

Senate amendment

The Senate amendment gave to the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities the authority to receive and dispose of excess and surplus Federal personal property without regard to the Federal Property and Administrative Services Act of 1949.

Conference substitute

The Senate recedes, based on the requests of the Committees on Government Operations of the House and the Senate, which currently are considering revisions of present law governing the distribution of surplus property. The conferees believe that cultural institutions

should be included in the distribution of Federal surplus property and urge full consideration as a part of this overall review.

AUTHORIZATIONS OF APPROPRIATIONS

House bill

The House bill authorized the following amounts in order to carry out section 5 of the Act: \$100,000,000 for fiscal year 1977; \$113,500,000 for fiscal year 1978; and such sums as may be necessary for fiscal years 1979 and 1980. Not less than 20 percent of any such sums which are appropriated in any fiscal year shall be available for carrying out section 5(g) of the Act.

The House bill authorized the following amounts to carry out section 7(c) of the Act: \$100,000,000 for fiscal year 1977; \$113,500,000 for fiscal year 1978; and such sums as may be necessary for fiscal years 1979 and 1980. Not less than 20 percent of such sums which are appropriated in any fiscal year must be available for carrying out section 7(f) of the Act.

The House bill established the following limitations on appropriations which may be made based on section 10(a)(2) of the Act: \$20,000,000 for fiscal year 1977; \$25,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal years 1979 and 1980.

The House bill provided that the amendments made by the House bill shall be effective with respect to fiscal year 1977 and succeeding fiscal years.

Senate amendment

The Senate amendment authorized the same total amounts as the House bill, although distribution among programs differed because the Senate amendment included in separate titles amounts for arts and bicentennial challenge grants, bicentennial photography, and arts education. The Senate amendment specifically authorized the appropriation of the following amounts:

1. To carry out section 5 of the Act: \$92,500,000 for fiscal year 1977; \$105,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal year 1979 and fiscal year 1980. Not less than 20 percent of any such sums which are appropriated in any fiscal year shall be available for carrying out section 5(g) of the Act.

2. To carry out section 7(c) of the Act: \$82,500,000 for fiscal year 1977; \$95,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal year 1979 and fiscal year 1980. Not less than 20 percent of such sums which are appropriated in any fiscal year must be available for carrying out section 7(f) of the Act.

3. For the matching of donated funds under section 10 (a)(2) of the Act: \$15,000,000 for fiscal year 1977; \$20,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal year 1979 and fiscal year 1980.

The Senate amendment also provided that the authorization for administration applies to any program for which the Chairman of the National Endowment for the Arts or the Chairman of the National Endowment for the Humanities is responsible.

Conference substitute

The conference substitute authorizes the appropriation of the following amounts:

1. To carry out section 5 of the Act: \$93,500,000 for fiscal year 1977; \$105,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal year 1979 and fiscal year 1980. The conference substitute retains the provision that not less than 20 percent of appropriated funds be available for carrying out section 5(g) of the Act.

2. To carry out section 7(c) of the Act: \$93,500,000 for fiscal year 1977; \$105,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal year 1979 and fiscal year 1980. The conference substitute retains the provision that not less than 20 percent of appropriated sums must be available for carrying out section 7(f) of the Act.

3. For the matching of donated funds under section 10(a)(2) of the Act: \$20,000,000 for fiscal year 1977; \$25,000,000 for fiscal year 1978; and such sums as may be necessary for fiscal year 1979 and fiscal year 1980.

The conference substitute also retains the provision of the Senate amendment which provided that the authorization for administration applies to any program for which the Chairman of either Endowment is responsible.

The conferees take note that in both the House and Senate committee reports relating to the House bill and the Senate amendment, respectively, emphasis was placed on the accomplishments and growth of the American Film Institute, especially with regard to increased private support. The conferees note with approval the plans which have been developed during the past year between the National Endowment for the Arts and the American Film Institute to further increase the potentials of the Institute, on behalf of the major art form of film. It is clear that these plans, and the funding levels involved, have been carefully considered by the Endowment with the advice of the National Council on the Arts and citizen panelists expert in film. The conferees believe that these plans should be given every opportunity for full implementation.

TITLE II—MUSEUM SERVICES

PURPOSE

House bill

The House bill provided that it is the purpose of title II of this legislation to (1) encourage and assist museums in their educational role, in conjunction with formal and informal educational systems; (2) assist museums in modernizing their methods and facilities; and (3) ease the financial burdens experienced by museums.

Senate amendment

The Senate amendment provided that it is the purpose of title II of this legislation to encourage and assist museums in their educational role so that they may better serve the communities in which they are located.

Conference substitute

The Senate recedes.

INSTITUTE OF MUSEUM SERVICES

House bill

The House bill established within the Department of Health, Education, and Welfare, an Institute of Museum Services (hereinafter in this statement referred to as the "Institute"). The Institute consists of a National Museum Services Board (hereinafter in this statement referred to as the "Board") and a Director of the Institute (hereinafter in this statement referred to as the "Director").

Senate amendment

The Senate amendment was the same as the House bill, except for the following differences:

1. The Senate amendment provided that the title of the institute is the "Institute for the Improvement of Museum Services".
2. The Senate amendment established the Institute within the National Foundation on the Arts and the Humanities.

Conference substitute

The Senate recedes.

NATIONAL MUSEUM SERVICES BOARD

House bill

The House bill provided that the Board will consist of 15 members appointed by the President, by and with the advice and consent of the Senate. The members of the Board must be broadly representative of (1) various museums, including museums relating to science, history, technology, and art, and also including zoos and botanical gardens; (2) the curatorial, educational, and cultural resources of the United States; and (3) the general public.

The House bill also provided that the members of the Board shall serve for terms of 5 years, except that (1) a member appointed to fill a vacancy shall serve only for the unexpired term of his predecessor; and (2) of the members first appointed, 3 shall serve for terms of 4 years, 3 shall serve for terms of 3 years, 3 shall serve for terms of 2 years, and 3 shall serve for terms of one year, as designated by the President at the time of nomination for appointment.

A member of the Board who has served for more than 7 consecutive years shall not be eligible for reappointment to the Board during the 3-year period immediately following the expiration of the last such consecutive year. The Chairman of the Board shall be designated by the President from among the members of the Board. Eight members of the Board shall constitute a quorum.

The House bill also provided that the Board will meet at the call of the Chairman of the Board, except that (1) the Board shall meet not less than 4 times annually; (2) if the Director determines that a meeting of the Board is necessary, the Board must meet whenever one-third of the members requests a meeting in writing, in which case one-half of the members shall constitute a quorum; and (3) in any case in which one-third of the members of the Board requests a meeting in writing, the Board shall meet and one-third of the members shall constitute a quorum.

The House bill permitted members of the Board who are not regular full-time employees of the United States to receive compensation at a rate to be fixed by the President. The rate of compensation, however,

may not exceed the rate specified for grade GS-18 in section 5332 of title 5, United States Code, including travel time. Members of the Board are allowed travel expenses, including per diem in lieu of subsistence as authorized by section 5703 of title 5, United States Code, for persons employed in the service of the Federal Government.

The House bill gave the Board the responsibility for establishing general policies regarding the powers, duties, and authorities vested in the Institute under title II of this legislation. The Director was required to make available to the Board such information and assistance as may be necessary to enable the Board to carry out its functions.

Senate amendment

The Senate amendment was the same as the House bill, except for the following differences:

1. Under the Senate amendment, the Board consisted of 9 members.
2. The Senate amendment provided that the Chairman of the National Council on the Arts, and 2 members of such Council selected by the Chairman, shall be members of the Board.
3. The Senate amendment provided that the Chairman of the National Council on the Humanities, and 2 members of such Council selected by the Chairman, shall be members of the Board.
4. The Senate amendment provided that 3 additional persons who are not members of either Council would be appointed to the Board by the President, by and with the advice and consent of the Senate.
5. The Senate amendment provided that the appointed members of the Board must be broadly representative of (1) curatorial, education, and cultural resources of the United States; and (2) the general public.
6. The Senate amendment provided that, in the case of initial appointed members, one would serve for a term of 5 years, one would serve for a term of 3 years, and one would serve for a term of one year.
7. The Senate amendment provided that 5 members would constitute a quorum.
8. The Senate amendment provided that the Board must meet whenever 5 members request a meeting, in which case 5 members would constitute a quorum.
9. The Senate amendment required the Board to take steps to coordinate the policy of the Institute with other activities of the Federal Government.

Conference substitute

The conference substitute is the same as the House bill, except for the following differences:

1. The conference substitute provides that the following persons may serve as nonvoting members of the Board: the Chairman of the National Endowment for the Arts, the Chairman of the National Endowment for the Humanities, the Secretary of the Smithsonian Institution, the Director of the National Science Foundation, and the Commissioner of Education.

2. The conference substitute provides that, of the members first appointed to the Board, 3 shall serve for terms of 5 years. This provision was not included in the House bill.

3. The conference substitute provides that the Board shall meet whenever one-third of the appointed members of the Board requests a meeting in writing. In the case of any such meeting, 8 appointed members of the Board shall constitute a quorum.

4. The conference substitute retains the Senate amendment relating to coordination of policy.

DIRECTOR OF THE INSTITUTE

House bill

The House bill provided that the Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall serve at the pleasure of the President. The Director was required to perform such duties and exercise such powers as the Board may prescribe.

The House bill also provided for a Deputy Director of the Institute appointed by the President. The Deputy Director was required to exercise such powers as the Director may prescribe, and was required to serve as Director during the absence or disability of the Director, or in the event of a vacancy in the office of Director.

Senate amendment

The Senate amendment was the same as the House bill, except for the following differences:

1. The Senate amendment provided that the Director of the Institute would be compensated at the rate of level V of the Executive Schedule.
2. The Senate amendment did not establish the position of Deputy Director of the Institute.
3. The Senate amendment required the Director to advise the Board regarding policies of the Institute to assure that the advice would be coordinated with the advice of certain agencies and organizations of the Federal Government.

Conference substitute

The conference substitute is the same as the House bill, except for the following differences:

1. The conference substitute retains the Senate amendment provision relating to the compensation of the Director of the Institute.
2. The conference substitute provides that the Director must report to the Secretary of Health, Education, and Welfare with respect to the activities of the Institute. The conference substitute also provides that the Director shall not delegate any of his functions to any other officer who is not directly responsible to the Director.
3. The conference substitute does not establish, in law, the position of Deputy Director of the Institute. The conferees intend that the Director and the Board should determine the necessity for the establishment of this position.
4. The conference substitute retains the Senate amendment provision requiring the Director to advise the Board regarding policy of the Institute to assure appropriate coordination.

ACTIVITIES OF THE INSTITUTE

House bill

The House bill permitted the Director (with the advice of the Board) to make grants to museums to increase and improve museum services through such activities as (1) programs for the construction of displays and exhibitions; (2) assistance for staff development; (3) assistance regarding administrative costs; (4) assistance regarding the development of traveling exhibitions; (5) assistance regarding the

conservation of artifacts and art objects; and (6) assistance regarding the development of specified programs.

The House bill also provided that grants may not exceed 75 percent of the cost of the program involved.

Senate amendment

The Senate amendment was the same as the House bill, except for the following differences:

1. The Senate amendment provided that the Director may make grants subject to the management of the Board, rather than subject to the advice of the Board.
2. The Senate amendment provided that a grant may not exceed 50 percent of the cost of any program.
3. The Senate amendment provided that the ceiling on grant amounts applies for any fiscal year. The provision in the House bill did not refer to fiscal years.

Conference substitute

The conference substitute is the same as the House bill, except for the following differences:

1. The conference substitute provides that the Director may make grants subject to the policy direction of the Board.
2. The conference substitute provides that a grant may not exceed 50 percent of the cost of any program, except that not more than 20 percent of funds available for any fiscal year may be available for grants in that fiscal year without regard to the 50 percent limitation.
3. The conference substitute retains the Senate amendment provision which clarified that the ceiling on grant amounts applies for any fiscal year.

FUNCTIONS OF FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES

House bill

The House bill amended section 9(c) of the Act to require the Federal Council on the Arts and the Humanities to advise and consult with the Board and with the Director on major problems arising in carrying out the purposes of the Institute. Such Council was also required to coordinate the policies and operations of the Institute with the policies and operations of the National Endowment for the Arts and the National Endowment for the Humanities. Such Council was also required to promote coordination between the programs and activities of the Institute and related programs and activities of other Federal agencies.

Senate amendment

The Senate amendment did not contain the amendment made by the House bill. The Senate amendment, however, required the Board to take steps to coordinate the policies of the Institute with other activities of the Federal Government and required the Director to advise the Board regarding policies of the Institute to ensure that the activities of the Institute are coordinated with activities of Federal agencies and organizations.

Conference substitute

The conference substitute incorporates the approaches taken by both the House bill and the Senate amendment.

AUTHORIZATION OF APPROPRIATIONS

House bill

The House bill authorized the following amounts for grants for the museum program: \$15,000,000 for fiscal year 1977, \$25,000,000 for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980.

The House bill also authorized to be appropriated for the period beginning on the date of enactment of this legislation and ending October 1, 1978, an amount equal to amounts contributed to the Institute during such period under section 207 of this legislation.

Amounts appropriated under the House bill were required to be used for the purpose of enabling the Institute to carry out its functions under title II of this legislation.

Senate amendment

The Senate amendment was the same as the House bill, except for the following differences:

1. The Senate amendment authorized such sums as may be necessary to administer the museum services program. Under the House bill, funds for administration would be drawn from the general authorization.

2. The Senate amendment provided that sums appropriated for any fiscal year shall remain available for obligation and expenditure until expended.

3. Regarding authorizations for amounts equal to amounts contributed under section 207, the cutoff date in the Senate amendment was October 1, 1980.

Conference substitute

The conference substitute is the same as the House bill, except for the following differences:

1. The conference substitute retains the Senate amendment provision relating to administration of the museum services program.

2. The conference substitute retains the Senate amendment provision relating to the availability of funds for obligation and expenditure until expended.

3. The conference substitute retains the Senate amendment provision relating to the cutoff date in connection with authorizations for amounts equal to amounts contributed under section 207.

DEFINITIONS

House bill

The House bill defined the terms "Institute", "Board", "Director", and "museum". The House bill defined the term "museum" to mean a public or private nonprofit agency organized for essentially educational and esthetic purposes which (through the use of professional staff) owns or uses tangible objects, cares for such objects, and exhibits such objects to the public on a regular basis.

Senate amendment

The Senate amendment was the same as the House bill, except for the following differences:

1. In the Senate amendment, all the definitions were contained in a separate section.

2. In defining the term "museum", the Senate amendment provided that the term means any agency or institution which owns and utilizes tangible objects for inspection.

Conference substitute

The conference substitute is the same as the House bill, except that the conference substitute follows the Senate amendment in placing all the definitions in a separate section.

TITLE III—CHALLENGE GRANT PROGRAM

ESTABLISHMENT OF PROGRAM

House bill

The House bill amended the Act by adding a new section 12. Section 12(a) permits the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities, with the advice of the National Council on the Arts and the National Council on the Humanities, to establish a program of contracts with, or grants-in-aid to, public agencies and private nonprofit organizations.

The contracts and grants-in-aid shall be for the purpose of (1) enabling cultural organizations to increase levels of support and increase the range of contributors; (2) providing administrative and management improvements for cultural organizations; (3) enabling cultural organizations to increase audience participation in, and appreciation of, programs sponsored by such organizations; (4) stimulating greater cooperation among cultural organizations; and (5) fostering greater citizen involvement in planning the cultural development of a community.

Section 12(b) limits the total amount of any payment under section 12 to 50 percent of the cost of the program involved.

Section 12(c) provides that the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities shall, in carrying out the program under section 12, have the same authority as is established in section 10 of the Act.

Senate amendment

The Senate amendment differed from the House bill in these respects:

1. The Senate amendment established the program through inclusion of a separate title in this legislation, rather than through an amendment to the Act.

2. The Senate amendment authorized only the Chairman of the National Endowment for the Arts to establish and carry out a separate program similar to the provisions of the House bill.

3. The Senate amendment authorized a program of bicentennial challenge grants to be carried out by the Chairman of the National Endowment for the Humanities, designed to (1) maintain and strengthen democratic processes through the encouragement of citizen participation; (2) develop innovative insights regarding the resolution of social, political, and economic problems; and (3) develop new approaches for citizen involvement in the democratic system.

4. The Senate amendment authorized to be appropriated to both the National Endowment for the Arts and the National Endowment

for the Humanities, for each fiscal year ending before October 1, 1981, an amount equal to amounts received by the Endowment for bicentennial challenge grants pursuant to section 10(a) of the Act. Appropriated amounts could not exceed the following limitations for either Endowment: (1) \$15,000,000 for fiscal year 1977; (2) \$20,000,000 for fiscal year 1978; and (3) such sums as may be necessary for fiscal years 1979 and 1980.

5. The Senate amendment provided that Federal payments for any program or project could not exceed 50 percent of the total cost of the program or project. The Senate amendment, however, permitted the Chairman of the National Endowment for the Humanities to waive this requirement if he determines that highly meritorious proposals for grants and contracts could not otherwise be supported.

6. The Senate amendment provided that the Chairman of the National Endowment for the Arts must establish the program with the advice of the National Council on the Arts. Under the House bill, this requirement was imposed upon the Chairmen of both the National Endowment for the Arts and the National Endowment for the Humanities.

7. In discussing the purposes of the grants and contracts, the Senate amendment provided that the grants and contracts would be made to stimulate greater collaboration and cooperation among cultural organizations and institutions. The House bill contained the same provision, but the House bill did not use the term "collaboration".

8. With respect to the matching funds provision, the Senate amendment provided that the matching funds provision may be waived, with respect to not more than 20 percent of funds appropriated in any fiscal year, if the Chairman of the National Endowment for the Arts determines that highly meritorious proposals could not be supported without such a waiver. The waiver by the Chairman must be made with the advice of the National Council on the Arts.

9. The Senate amendment provided that section 5(i) of the Act (relating to minimum wage and safe working conditions requirements) and section 5(j) of the Act (relating to Davis-Bacon Act requirements) shall apply to the program.

Conference substitute

The conference substitute establishes a separate challenge grant program under the basic authority of each Endowment. In addition, the conference substitute authorizes the funding of bicentennial projects by the National Endowment for the Humanities. The Chairman of the National Endowment for the Humanities, with the advice of the National Council on the Humanities, will make appropriate determinations regarding the distribution of funds under section 7(h)(1), taking cognizance of section 7(h)(1)(F) of the Act, dealing with bicentennial programs. The Chairman, with the advice of the Council, may waive up to 15 percent of the matching requirements with respect to the funding of bicentennial projects.

In creating two separate challenge programs, the conferees wish to stress that each Endowment carry out two distinctly different missions relating to the arts and the humanities, as defined in section 3(a) and section 3(b) of the Act. Two wholly different programs will result, based on these distinct missions, and the authority pursuant to section

7(h)(1) for bicentennial programs which applies to the National Endowment for the Humanities.

AUTHORIZATION OF APPROPRIATIONS

House bill

The House bill amended section 11(a) of the Act to authorize to be appropriated for each fiscal year ending before October 1, 1981, an amount equal to the amounts received by the National Endowment for the Arts and the National Endowment for the Humanities for the purposes set forth in section 12(a) of the Act. The amendment, however, established the following ceilings for such authorization: \$15,000,000 for fiscal year 1977, and \$20,000,000 for fiscal year 1978. Such sums as may be necessary were authorized for fiscal years 1979 and 1980. The amendment also provided that sums appropriated for any fiscal year shall remain available for obligation and expenditure until expended, and that sums available to one Endowment may be transferred to the other Endowment upon mutual agreement by the Endowments.

Senate amendment

The Senate amendment differed from the House bill in the following respects:

1. Separate authorizations were made to the National Endowment for the Arts and the National Endowment for the Humanities.

2. Since separate authorizations were provided, the Senate amendment did not provide that appropriated funds may be transferred between the two Endowments by mutual agreement.

Conference substitute

The conference substitute provides for separate authorizations as follows: \$12,000,000 for the National Endowment for the Arts for fiscal year 1977, \$18,000,000 for fiscal year 1978, and such sums as may be necessary for the following two fiscal years. The conference substitute makes the same authorizations for the National Endowment for the Humanities. The conference substitute also provides that, if the Chairman of either Endowment determines at the end of the ninth month of any fiscal year that funds available to the Endowment cannot be used, the Chairman must transfer such funds to the other Endowment.

TITLE IV—AMERICAN BICENTENNIAL PHOTOGRAPHY AND FILM PROJECT

House bill

No provision.

Senate amendment

The Senate amendment established a bicentennial photography and film project in order to create a photographic and film portrait of the people and communities of the United States. The Senate amendment authorized the following amounts to be appropriated to the National Endowment for the Arts to carry out the project: (1) \$5,000,000 for each of fiscal years 1977 and 1978; and (2) such sums as may be necessary for fiscal years 1979 and 1980. One-fifth of appropriated amounts was reserved for a national photography and film project.

The remainder was apportioned to the States as follows: (1) the first \$3,000,000 was allocated to the States in equal amounts; and (2) the remainder was apportioned on the basis of population.

CARL D. PERKINS,
JOHN BRADEMAS,
PATSY T. MINK,
LLOYD MEEDS,
SHIRLEY CHISHOLM,
WILLIAM LEHMAN,
ROBERT J. CORNELL,
EDWARD P. BEARD,
LEO C. ZEFERETTI,
GEORGE MILLER,
TIM L. HALL,
ALBERT H. QUIE,
ALPHONZO BELL,
PETER A. PEYSER,
JAMES M. JEFFORDS,
LARRY PRESSLER,
Managers on the Part of the House.

CLAIBORNE PELL,
GAYLORD NELSON,
TOM EAGLETON,
WALTER F. MONDALE,
WILLIAM D. HATHAWAY,
HARRISON A. WILLIAMS, Jr.
J. K. JAVITS,
BOB TAFT, Jr.
ROBERT T. STAFFORD,
Managers on the Part of the Senate.

Conference substitute

The House recedes with an amendment establishing a 2-year bi-centennial photographic and film project. The conference substitute authorizes to be appropriated to the National Endowment for the Arts \$4,000,000 for fiscal year 1977, and \$2,000,000 for fiscal year 1978, in order to carry out the project. Not more than 75 percent of appropriated amounts shall be allocated to States in equal amounts in 1977, and not more than 50 percent of appropriated amounts shall be allocated to States in equal amounts for fiscal year 1978.

TITLE V—ARTS EDUCATION

House bill

No provision.

Senate amendment

The Senate amendment established a program to provide financial assistance to improve the quality and availability of arts education. The Senate amendment authorized the following amounts to be appropriated to carry out the program: (1) \$10,000,000 for each of fiscal years 1977 and 1978; and (2) such sums as may be necessary for fiscal years 1979 and 1980.

Conference substitute

The House recedes with an amendment which amends section 409 of the Education Amendments of 1974 (relating to elementary and secondary school education in the arts) to authorize the appropriation of \$2,000,000 for fiscal year 1978 to carry out the purposes of such section. This authorization is in addition to any other sums reserved to carry out the purposes of section 409.

○

Ninety-fourth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the nineteenth day of January,
one thousand nine hundred and seventy-six*

An Act

To amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Arts, Humanities, and Cultural Affairs Act of 1976".

TITLE I—ARTS AND HUMANITIES

SCOPE OF PROGRAMS CARRIED OUT BY CHAIRMAN OF NATIONAL ENDOWMENT FOR THE ARTS

SEC. 101. Section 5(c) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by striking out "in the United States".

ALLOTMENTS FOR PROJECTS AND PRODUCTIONS RELATING TO THE ARTS

SEC. 102. Section 5(g)(4)(A) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting immediately after "(4)(A)" the following new sentence: "The amount of each allotment to a State for any fiscal year under this subsection shall be available to each State, which has a plan approved by the Chairman in effect on the first day of such fiscal year, to pay not more than 50 per centum of the total cost of any project or production described in paragraph (1).".

APPOINTMENT OF MEMBERS OF NATIONAL COUNCIL ON ARTS AND NATIONAL COUNCIL ON HUMANITIES

SEC. 103. (a) The first sentence of section 6(b) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting ", by and with the advice and consent of the Senate," immediately after "President".

(b) The first sentence of section 8(b) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting ", by and with the advice and consent of the Senate," immediately after "President".

STATE HUMANITIES PROGRAM

SEC. 104. (a) Section 7 of the National Foundation on the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new subsection:

"(f)(1) The Chairman, with the advice of the National Council on the Humanities, is authorized, in accordance with the provisions of this subsection, to establish and carry out a program of grants-in-aid in each of the several States in order to support not more than 50 per centum of the cost of existing activities which meet the standards enumerated in subsection (c) of this section, and in order to develop a program in the humanities in such a manner as will furnish adequate programs in the humanities in each of the several States.

“(2) In order to receive Federal financial assistance under this subsection in any fiscal year, any appropriate entity desiring to receive such assistance shall submit an application for such grants at such time as shall be specified by the Chairman. Each such application shall be accompanied by a plan which the Chairman finds—

“(A) provides assurances that the grant recipient will comply with the requirements of paragraph (3) of this subsection;

“(B) provides that funds paid to the grant recipient will be expended solely on programs which carry out the objectives of subsection (c) of this section;

“(C) establishes a membership policy which is designed to assure broad public representation with respect to programs administered by such grant recipient;

“(D) provides a nomination process which assures opportunities for nomination to membership from various groups within the State involved and from a variety of segments of the population of such State, and including individuals who by reason of their achievement, scholarship, or creativity in the humanities, are especially qualified to serve;

“(E) provides for a membership rotation process which assures the regular rotation of the membership and officers of such grant recipient and which complies with the provisions of paragraph (3)(C) of this subsection;

“(F) establishes reporting procedures which are designed to inform the chief executive officer of the State involved, and other appropriate officers and agencies, of the activities of such grant recipient;

“(G) establishes procedures to assure public access to information relating to such activities; and

“(H) provides that such grant recipient shall make reports to the Chairman, in such form, at such times, and containing such information, as the Chairman may require.

“(3) (A) Whenever a State desires that an appropriate officer or agency of such State appoint 50 per centum of the membership of the governing body of the grant recipient involved, such State shall—

“(i) for the first fiscal year with respect to which such State desires to make such appointments, match, from State funds, 50 per centum of that portion of the Federal financial assistance received by such grant recipient under this subsection which exceeds \$100,000;

“(ii) for the second fiscal year with respect to which such State desires to make such appointments, match, from State funds, that portion of the Federal financial assistance received by such grant recipient under this subsection which exceeds \$100,000; and

“(iii) with respect to each fiscal year thereafter, match, from State funds, the total amount of Federal financial assistance received by such grant recipient under this subsection for the fiscal year involved.

“(B) In any State in which the State does not desire to comply with the requirements of subparagraph (A) of this paragraph, the grant recipient shall—

“(i) establish a procedure which assures that two members of the governing body of such grant recipient shall be appointed by an appropriate officer or agency of such State; and

“(ii) provide, from any source, an amount equal to the total amount of Federal financial assistance received by such grant recipient under this subsection in the fiscal year involved.

“(C) In any fiscal year in which a State fails to meet the matching requirement from State funds made by subparagraph (A) of this paragraph, the number of members on the governing body of the grant recipient who were appointed by an appropriate officer or agency of such State shall be reduced so that the governing body complies with the provisions of subparagraph (B) of this paragraph.

“(4) Of the sums available to carry out this subsection for any fiscal year, each grant recipient which has a plan approved by the Chairman shall be allotted at least \$200,000. If the sums appropriated are insufficient to make the allotments under the preceding sentence in full, such sums shall be allotted among such grant recipients in equal amounts. In any case where the sums available to carry out this subsection for any fiscal year are in excess of the amount required to make the allotments under the first sentence of this paragraph—

“(A) the amount of such excess which is no greater than 25 per centum of the sums available to carry out this subsection for any fiscal year shall be available to the Chairman for making grants under this subsection to entities applying for such grants;

“(B) the amount of such excess, if any, which remains after reserving in full for the Chairman the amount required under subparagraph (A) shall be allotted among the grant recipients which have plans approved by the Chairman in equal amounts, but in no event shall any grant recipient be allotted less than \$200,000.

“(5) (A) Whenever the provisions of paragraph (3) (B) of this subsection apply in any State, that part of any allotment made under paragraph (4) for any fiscal year—

“(i) which exceeds \$125,000, but

“(ii) which does not exceed 20 per centum of such allotment, shall be available, at the discretion of the Chairman, to pay up to 100 per centum of the cost of programs under this subsection if such programs would otherwise be unavailable to the residents of that State.

“(B) Any amount allotted to a State under the first sentence of paragraph (4) for any fiscal year which is not obligated by the grant recipient prior to sixty days prior to the end of the fiscal year for which such sums are appropriated shall be available to the Chairman for making grants to regional groups.

“(C) Funds made available under this subsection shall not be used to supplant non-Federal funds.

“(D) For the purposes of this paragraph, the term ‘regional group’ means any multistate group, whether or not representative of contiguous States.

“(6) All amounts allotted or made available under paragraph (4) for a fiscal year which are not granted to any entity during such fiscal year shall be available to the National Endowment for the Humanities for the purpose of carrying out subsection (c).

“(7) Whenever the Chairman, after reasonable notice and opportunity for hearing, finds that—

“(A) a grant recipient is not complying substantially with the provisions of this subsection;

“(B) a grant recipient is not complying substantially with terms and conditions of its plan approved under this subsection;

or

“(C) any funds granted to any grant recipient under this subsection have been diverted from the purposes for which they are allotted or paid,

the Chairman shall immediately notify the Secretary of the Treasury and the grant recipient with respect to which such finding was made

that no further grants will be made under this subsection to such grant recipient until there is no longer a default or failure to comply or the diversion has been corrected, or, if the compliance or correction is impossible, until such grant recipient repays or arranges the repayment of the Federal funds which have been improperly diverted or expended.

“(8) Except as provided in paragraphs (4), (5), and (6), the Chairman may not make grants under this subsection to more than one entity in any State.”

(b) The amendment made by subsection (a) shall be effective with respect to fiscal year 1977 and succeeding fiscal years.

PAYMENT OF PERFORMERS AND SUPPORTING PERSONNEL

SEC. 105. Section 7 of the National Foundation on the Arts and the Humanities Act of 1965, as amended by section 104(a), is further amended by adding at the end thereof the following new subsection:

“(g) It shall be a condition of the receipt of any grant under this section that the group, individual, or State entity receiving such grant furnish adequate assurances to the Secretary of Labor that (1) all professional performers and related or supporting professional personnel employed on projects or productions which are financed in whole or in part under this section will be paid, without subsequent deduction or rebate on any account, not less than the minimum compensation as determined by the Secretary of Labor to be the prevailing minimum compensation for persons employed in similar activities; and (2) no part of any project or production which is financed in whole or in part under this section will be performed or engaged in under working conditions which are unsanitary or hazardous or dangerous to the health and safety of the employees engaged in such project or production. Compliance with the safety and sanitary laws of the State in which the performance or part thereof is to take place shall be prima facie evidence of compliance. The Secretary of Labor shall have the authority to prescribe standards, regulations, and procedures as he may deem necessary or appropriate to carry out the provisions of this subsection.”

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 106. (a) (1) (A) Section 11(a) (1) (A) of the National Foundation on the Arts and the Humanities Act of 1965 is amended to read as follows:

“SEC. 11. (a) (1) (A) For the purpose of carrying out section 5(c), there are authorized to be appropriated \$93,500,000 for fiscal year 1977, \$105,000,000 for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980. Of the sums so appropriated for any fiscal year, not less than 20 per centum shall be for carrying out section 5(g).”

(B) Section 11(a) (1) (B) of such Act is amended by striking out all that follows “Humanities” and inserting in lieu thereof the following: “\$93,500,000 for fiscal year 1977, \$105,000,000 for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980. Of the sums so appropriated for any fiscal year, not less than 20 per centum shall be for carrying out section 7(f).”

(2) Section 11(a) (2) of such Act is amended (A) by striking out

“July 1, 1976” and inserting in lieu thereof “October 1, 1980”; and (B) by striking out all that follows “not exceed” and inserting in lieu thereof “\$20,000,000 for fiscal year 1977, \$25,000,000 for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980.”

(3) Section 11(c) of such Act is amended by inserting before the period a comma and the following: “or any other program for which the Chairman of the National Endowment for the Arts or the Chairman of the National Endowment for the Humanities is responsible”.

(b) The amendments made by subsection (a) shall be effective with respect to fiscal year 1977 and succeeding fiscal years.

TITLE II—MUSEUM SERVICES

SHORT TITLE

SEC. 201. This title may be cited as the “Museum Services Act”.

PURPOSE

SEC. 202. It is the purpose of this title to encourage and assist museums in their educational role, in conjunction with formal systems of elementary, secondary, and post-secondary education and with programs of nonformal education for all age groups; to assist museums in modernizing their methods and facilities so that they may be better able to conserve our cultural, historic, and scientific heritage; and to ease the financial burden borne by museums as a result of their increasing use by the public.

INSTITUTE OF MUSEUM SERVICES

SEC. 203. There is hereby established, within the Department of Health, Education, and Welfare, an Institute of Museum Services. The Institute shall consist of a National Museum Services Board and a Director of the Institute.

NATIONAL MUSEUM SERVICES BOARD

SEC. 204. (a)(1) The Board shall consist of fifteen members appointed by the President, by and with the advice and consent of the Senate. Such members shall be broadly representative of various museums, including museums relating to science, history, technology, art, zoos, and botanical gardens, of the curatorial, educational, and cultural resources of the United States, and of the general public.

(2) (A) In addition to members appointed by the President under paragraph (1), the following persons shall serve as members of the Board—

- (i) the Chairman of the National Endowment for the Arts;
- (ii) the Chairman of the National Endowment for the Humanities;
- (iii) the Secretary of the Smithsonian Institution;
- (iv) the Director of the National Science Foundation; and
- (v) the Commissioner of Education.

(B) The members of the Board listed in clause (i) through clause (v) of subparagraph (A) shall be nonvoting members.

(b) The term of office of the appointed members of the Board shall be five years, except that—

(1) any such member appointed to fill a vacancy shall serve only such portion of a term as shall not have expired at the time of such appointment; and

(2) in the case of initial members, three shall serve for terms of five years, three shall serve for terms of four years, three shall serve for terms of three years, three shall serve for terms of two years, and three shall serve for terms of one year, as designated by the President at the time of nomination for appointment.

Any appointed member who has been a member of the Board for more than seven consecutive years shall thereafter be ineligible for reappointment to the Board during the three-year period following the expiration of the last such consecutive year.

(c) The Chairman of the Board shall be designated by the President from among the appointed members of the Board. Eight appointed members of the Board shall constitute a quorum.

(d) The Board shall meet at the call of the Chairman, except that—

(1) it shall meet not less than four times each year; and

(2) it shall meet whenever one-third of the appointed members request a meeting in writing, in which event eight of the appointed members shall constitute a quorum.

(e) Members of the Board who are not in the regular full-time employ of the United States shall receive, while engaged in the business of the Board, compensation for service at a rate to be fixed by the President, except that such rate shall not exceed the rate specified at the time of such service for grade GS-18 set forth in section 5332 of title 5, United States Code, including traveltime, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed in Government service.

(f) The Board shall have the responsibility for the general policies with respect to the powers, duties, and authorities vested in the Institute under this title. The Director shall make available to the Board such information and assistance as may be necessary to enable the Board to carry out its functions.

(g) The Board shall, with the advice of the Director, take steps to assure that the policies and purposes of the Institute are coordinated with other activities of the Federal Government.

DIRECTOR OF THE INSTITUTE

SEC. 205. (a) (1) The Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. The Director shall be compensated at the rate provided for level V of the Executive Schedule (5 U.S.C. 5316), and shall perform such duties and exercise such powers as the Board may prescribe.

(2) The Director shall report to the Secretary of Health, Education, and Welfare with respect to the activities of the Institute. The Director shall not delegate any of his functions to any other officer who is not directly responsible to the Director.

(b) The Director shall advise the Board regarding policies of the Institute to assure coordination of the Institute's activities with other agencies and organizations of the Federal Government having interest in and responsibilities for the improvement of museums. Such Government agencies shall include the National Endowment for the Arts, the National Endowment for the Humanities, the National Science

Foundation, appropriate units in the Department of Health, Education, and Welfare, the Library of Congress, and the Smithsonian Institution and related organizations.

ACTIVITIES OF THE INSTITUTE

SEC. 206. (a) The Director, subject to the policy direction of the Board, is authorized to make grants to museums to increase and improve museum services, through such activities as—

(1) programs to enable museums to construct or install displays, interpretations, and exhibitions in order to improve their services to the public;

(2) assisting them in developing and maintaining professionally-trained or otherwise experienced staff to meet their needs;

(3) assisting them to meet their administrative costs in preserving and maintaining their collections, exhibiting them to the public, and providing educational programs to the public through the use of their collections;

(4) assisting museums in cooperation with each other in the development of traveling exhibitions, meeting transportation costs, and identifying and locating collections available for loan;

(5) assisting them in conservation of artifacts and art objects;

and
(6) developing and carrying out specialized programs for specific segments of the public, such as programs for urban neighborhoods, rural areas, Indian reservations, and penal and other State institutions.

(b) Grants under this section for any fiscal year may not exceed 50 per centum of the cost of the program for which the grant is made, except that not more than 20 per centum of the funds available under this section for any fiscal year may be available for grants in such fiscal year without regard to such limitation.

CONTRIBUTIONS

SEC. 207. The Institute shall have authority to accept in the name of the United States, grants, gifts, or bequests of money for immediate disbursement in furtherance of the functions of the Institute. Such grants, gifts, or bequests, after acceptance by the Institute, shall be paid by the donor or his representative to the Treasurer of the United States whose receipt shall be their acquittance. The Treasurer of the United States shall enter them in a special account to the credit of the Institute for the purposes in each case specified.

FUNCTIONS OF FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES

SEC. 208. Section 9(c) of the National Foundation on the Arts and the Humanities Act of 1965 is amended—

(1) by redesignating paragraph (2) through paragraph (4) as paragraph (3) through paragraph (5), respectively, and by inserting immediately after paragraph (1) the following new paragraph:

“(2) advise and consult with the National Museum Services Board and with the Director of the Institute of Museum Services on major problems arising in carrying out the purposes of such Institute;”;

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(2) in paragraph (3) thereof, as so redesignated by paragraph (1), by striking out “and” immediately after “Arts” and inserting in lieu thereof a comma, and by inserting “and the Institute of Museum Services,” immediately after “Humanities,”; and

(3) in paragraph (4) thereof, as so redesignated by paragraph (1), by inserting “and the Institute of Museum Services” immediately after “Foundation”.

AUTHORIZATION OF APPROPRIATIONS

SEC. 209. (a) For the purpose of making grants under section 206 (a), there are authorized to be appropriated \$15,000,000 for fiscal year 1977, \$25,000,000 for fiscal year 1978, and such sums as may be necessary for each of fiscal years 1979 and 1980.

(b) There are authorized to be appropriated such sums as may be necessary to administer the provisions of this title.

(c) Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation and expenditure until expended.

(d) For the purpose of enabling the Institute to carry out its functions under this title, during the period beginning on the date of the enactment of this Act and ending October 1, 1980, there is authorized to be appropriated an amount equal to the amount contributed during such period to the Institute under section 207.

DEFINITIONS

SEC. 210. For the purpose of this title, the term—

(1) “Board” means the National Museum Services Board established under section 203;

(2) “Director” means the Director of the Institute established under section 203;

(3) “Institute” means the Institute of Museum Services established under section 203; and

(4) “museum” means a public or private nonprofit agency or institution organized on a permanent basis for essentially educational or esthetic purposes, which, utilizing a professional staff, owns or utilizes tangible objects, cares for them, and exhibits them to the public on a regular basis.

TITLE III—CHALLENGE GRANT PROGRAMS

ESTABLISHMENT OF PROGRAMS

SEC. 301. (a) Section 5 of the National Foundation of the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new subsection:

“(1) (1) The Chairman of the National Endowment for the Arts, with the advice of the National Council on the Arts, is authorized, in accordance with the provisions of this subsection, to establish and carry out a program of contracts with, or grants-in-aid to, public agencies and private nonprofit organizations for the purpose of—

“(A) enabling cultural organizations and institutions to increase the levels of continuing support and to increase the range of contributors to the programs of such organizations or institutions;

“(B) providing administrative and management improvements for cultural organizations and institutions, particularly in the field of long-range financial planning;

“(C) enabling cultural organizations and institutions to increase audience participation in, and appreciation of, programs sponsored by such organizations and institutions;

“(D) stimulating greater cooperation among cultural organizations and institutions especially designed to serve better the communities in which such organizations or institutions are located; and

“(E) fostering greater citizen involvement in planning the cultural development of a community.

“(2) The total amount of any payment made under this subsection for a program or project may not exceed 50 per centum of the cost of such program or project.

“(3) In carrying out the program authorized by this subsection, the Chairman of the National Endowment for the Arts shall have the same authority as is established in section 5(c) and section 10.”

(b) Section 7 of the National Foundation on the Arts and the Humanities Act of 1965, as amended by section 105, is further amended by adding at the end thereof the following new subsection:

“(h) (1) The Chairman of the National Endowment for the Humanities, with the advice of the National Council on the Humanities, is authorized, in accordance with the provisions of this subsection, to establish and carry out a program of contracts with, or grants-in-aid to, public agencies and private nonprofit organizations for the purpose of—

“(A) enabling cultural organizations and institutions to increase the levels of continuing support and to increase the range of contributors to the program of such organizations or institutions;

“(B) providing administrative and management improvements for cultural organizations and institutions, particularly in the field of long-range financial planning;

“(C) enabling cultural organizations and institutions to increase audience participation in, and appreciation of, programs sponsored by such organizations and institutions;

“(D) stimulating greater cooperation among cultural organizations and institutions especially designed to serve better the communities in which such organizations or institutions are located;

“(E) fostering greater citizen involvement in planning the cultural development of a community; and

“(F) for bicentennial programs, assessing where our society and Government stand in relation to the founding principles of the Republic, primarily focused on projects which will bring together the public and private citizen sectors in an effort to find new processes for solving problems facing our Nation in its third century.

“(2) (A) Except as provided in subparagraph (B) of this paragraph, the total amount of any payment made under this subsection for a program or project may not exceed 50 per centum of the cost of such program or project.

“(B) The Chairman, with the advice of the Council, may waive all or part of the requirement of matching funds provided in subparagraph (A) of this paragraph, but only for the purposes described in clause (F) of paragraph (1), whenever he determines that highly meritorious proposals for grants and contracts under such clause, could not otherwise be supported from non-Federal sources or from Federal sources other than funds authorized by section 11(a)(3), unless such matching requirement is waived. Such waiver may not exceed 15 per centum of the amount appropriated in any fiscal year

and available to the National Endowment on the Humanities for the purpose of this subsection.

“(3) In carrying out the program authorized by this subsection, the Chairman of the National Endowment for the Humanities shall have the same authority as is established in section 7(c) and section 10.”.

AUTHORIZATION OF APPROPRIATIONS

SEC. 302. Section 11(a) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new paragraph:

“(3) (A) There is authorized to be appropriated for each fiscal year ending before October 1, 1980, to the National Endowment for the Arts an amount equal to the total amounts received by such Endowment for the purposes set forth in section 5(1)(1) pursuant to the authority of section 10(a)(2), except that the amount so appropriated to such Endowment shall not exceed \$12,000,000 for fiscal year 1977, and \$18,000,000 for fiscal year 1978. Such sums as may be necessary are authorized to be appropriated for fiscal years 1979 and 1980.

“(B) There are authorized to be appropriated for each fiscal year ending before October 1, 1980, to the National Endowment for the Humanities an amount equal to the total amounts received by such Endowment for the purposes set forth in section 7(h)(1) pursuant to the authority of section 10(a)(2), except that the amount so appropriated to such Endowment shall not exceed \$12,000,000 for fiscal year 1977, and \$18,000,000 for fiscal year 1978. Such sums as may be necessary are authorized to be appropriated for fiscal years 1979 and 1980.

“(C) If either Chairman determines at the end of the ninth month of any fiscal year that funds which would otherwise be available under this paragraph to an Endowment cannot be used, he shall transfer such funds to the other Endowment for the purposes described in section 5(1)(1) or section 7(h)(1), as may be necessary.

“(D) Sums appropriated pursuant to subparagraph (A) and subparagraph (B) for any fiscal year shall remain available for obligation and expenditure until expended.”.

TITLE IV—AMERICAN BICENTENNIAL PHOTOGRAPHY AND FILM PROJECT

AMERICAN BICENTENNIAL PHOTOGRAPHY AND FILM PROJECT

SEC. 401. (a) Section 5 of the National Foundation on the Arts and the Humanities Act of 1965, as amended by section 301(a), is further amended by adding at the end thereof the following new subsection:

“(m) (1) From funds appropriated to the Endowment and apportioned to each State pursuant to section 11(a)(4), the Endowment is authorized to provide, by grant or contract, financial assistance to the State arts agency of each State, pursuant to such regulations and guidelines as the Endowment shall establish, to permit such State agency to support one or more photography or film projects meeting the purposes of this subsection. Such assistance shall also be available for acquiring essential supplies, and for administrative or supervisory personnel, and for processing and cataloging, and for the display (and related activities) of the photographs and films produced with assistance under this subsection.

“(2) (A) No financial assistance may be made under this subsection unless an application is made at such time, in such manner, and containing or accompanied by such information, as the Endowment determines is reasonably necessary.

“(B) In providing financial assistance under this subsection, each State shall give consideration to proposals which involve promising and qualified photographers or film makers who are unemployed or underemployed.

“(3) From funds allotted to the Endowment pursuant to section 11(a)(4), the Endowment shall pay the costs of administration, provide for collection and dissemination of a representative collection of photographs and films produced pursuant to this subsection, and provide direct assistance to applicants for photography or film projects of special merit which meet the purposes of this subsection. The Endowment shall assure that representative photographs and films (including, where appropriate, negatives) produced with assistance furnished under this subsection are made available for the permanent collection of the Library of Congress.”.

(b) Section 11(a) of the National Foundation on the Arts and the Humanities Act of 1965, as amended by section 302, is further amended by adding at the end thereof the following new paragraph:

“(4) (A) For the purposes of carrying out section 5(m), there are authorized to be appropriated to the National Endowment for the Arts \$4,000,000 for fiscal year 1977 and \$2,000,000 for fiscal year 1978. Sums appropriated pursuant to this subparagraph shall remain available until expended.

“(B) Not more than 75 per centum of the amounts appropriated pursuant to subparagraph (A) shall be allocated among the States in equal amounts for fiscal year 1977, and not more than 50 per centum of the amounts appropriated pursuant to subparagraph (A) shall be allocated among the States in equal amounts for fiscal year 1978.”.

TITLE V—ARTS EDUCATION

AMENDMENT TO THE EDUCATION AMENDMENTS OF 1974

SEC. 501. Section 409 of the Education Amendments of 1974 is amended by inserting “(a)” after the section designation and by adding at the end thereof the following new subsection:

“(b) Notwithstanding the provisions of section 402(b)(3)(G) and section 402(b)(4) of this Act, and in addition to sums reserved under that section and made available under subsection (a) of this section, there are authorized to be appropriated \$2,000,000 for fiscal year 1978 to carry out the purposes of this section.”.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

Sea Grant Program Improvement Act of 1976

Statement by the President on Signing H.R. 13035 Into Law. October 10, 1976

I am signing H.R. 13035, the Sea Grant Program Improvement Act of 1976.

In its 10-year history, the National Sea Grant Program has played an appropriate role in developing and coordinating the resources of universities, laboratories, and other institutions in furthering the understanding, assessment, development, utilization, and conservation of our Nation's ocean and coastal resources. H.R. 13035 would extend the National Sea Grant Program and ensure that this worthwhile work continues.

Some provisions in H.R. 13035 are unnecessary. The proposed "National Projects" and "International Cooperation Assistance" programs are new categorical programs authorizing activities that could more appropriately be carried out by other agencies that have the responsibility to address national marine-related needs and problems.

Provisions in the bill which provide for the establishment of the position of Director of the Sea Grant Program and five other supergrade positions outside the Government-wide quota and without regard to the competitive appointment provisions of the civil service system are also unwise.

The Sea Grant Program provides a valuable means for bringing the resources of colleges and universities to bear on the Nation's efforts to make more productive use of our ocean resources. I believe that this bill will allow us to strengthen those efforts.

I am, therefore, signing this bill into law.

NOTE: As enacted, the Sea Grant Program Improvement Act of 1976 (H.R. 13035) is Public Law 94-461, approved October 8, 1976.

The statement was released in Dallas, Tex.

Arts, Humanities, and Cultural Affairs Act of 1976

Statement by the President on Signing H.R. 12838 Into Law. October 10, 1976

I am pleased today to sign H.R. 12838 authorizing the National Foundation on the Arts and the Humanities to continue and expand its work through 1980. The Arts, Humanities, and Cultural Affairs Act of 1976 re-

flects the continuing strong bipartisan support of the programs of the National Endowments for the Arts and for the Humanities.

I have supported the Foundation continuously, both as a Congressman and since I became President. The support of the arts and humanities provided by the Federal Government has permitted a marked increase in individual participation in, and support of, a wide range of cultural activities.

In striving to make America's third century the century of the individual, the Foundation should play a leadership role in improving the quality of life throughout the Nation. I take great pride in signing this legislation in reaffirmation of that strong commitment of my administration.

NOTE: As enacted, the Arts, Humanities, and Cultural Affairs Act of 1976 (H.R. 12838) is Public Law 94-462, approved October 8, 1976.

The statement was released at Dallas, Tex.

Act for the Prevention and Punishment of Crimes Against Internationally Protected Persons

Statement by the President on Signing H.R. 15552 Into Law. October 10, 1976

Within the last few months, we have witnessed a new outbreak of international terrorism, some of which has been directed against persons who carry the important burdens of diplomacy. Last summer, we were grieved by the brutal murders of our Ambassador to Lebanon and his Economic Counsellor. We also have seen a series of acts of violence directed against diplomatic missions in the United States for which we have host-country responsibilities. These acts cannot and will not be tolerated in the United States, nor should they be tolerated anywhere in the world. Preventing or punishing such acts is a prime concern of this Government and one which I will pursue with all the force of this office.

Today, I am pleased to affix my signature to three documents which once again demonstrate the commitment of the United States to sustain its struggle against international terrorism. Through our efforts and with others in the United Nations, the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, Including Diplomatic Agents, was adopted in 1972. A few years previously, we had supported the adoption, in the Organization of American States, of the Convention To Prevent and Punish the Acts of Terrorism Taking the Form of Crimes Against Persons