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SECTION-BY-SECTION EXPLANATION AND RAMSEYER RULE PRINT

of

ARTS, HUMANITIES, AND CULTURAL AFFAIRS ACT OF 1976

As Reported by the Subcommittee on Select Education

MARCH 27, 1976
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, 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 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.

(1)
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 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) 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.

**AUTHORIZATION OF APPROPRIATIONS**

Section 103(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 102(b) provides that the amendments made by section 102(a) shall be effective with respect to fiscal year 1977 and succeeding fiscal years.

APPPOINTMENT 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.

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").
Section 204(a) provides 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.

Section 204(b) provides that the members of the Board shall serve for terms of 3 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 section 5 of the Act by adding a new subsection
(1). Section (1)(1) permits the Chairman of the National Endowment
for the Arts, with the advice of National Council on the Arts, to estab-
ish 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 in-
crease the range of contributors; (2) providing administrative and
management improvements for cultural organizations; (3) enabling
cultural organizations to increase audience participation in, and appre-
ciation of, programs sponsored by such organizations; (4) stimu-
lating greater cooperation among cultural organizations; and (5)
fostering greater citizen involvement in planning the cultural de-
velopment of a community.

Subsection (1)(2) limits the total amount of any payment under
subsections (1) to 50 percent of the cost of the program involved.

Subsection (1)(3) provides that the Chairman of the National
Endowment for the Arts shall, in carrying out the program under sub-
section (1), 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 ap-
propriated 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 5(1)(1) of the Act.
The amendment, however, establishes the following ceilings for such
authorization: $15,000,000 for fiscal years 1977, $20,000,000 for fiscal
year 1978, and such sums as may be necessary 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.

**CHANGES IN EXISTING LAW MADE BY THE BILL**

For the information of the members of the committee, changes in
existing law made by the Arts, Humanities, and Cultural Affairs Act of
1976 are shown as follows (existing law proposed to be omitted is en-
closed 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 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.
vided. 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 any 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(e).

(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.

(1) 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. 1332-15) 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.

(l) (1) The Chairman, 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 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; 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 shall have the same authority as is established in section 10.

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.

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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 Chair-
man 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 sub-
section 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 pro-
grams 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 oppor-
tunity 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 sub-
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 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.

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;

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

(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

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

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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 $565,000,000 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 an amount equal to the total amounts received by such Endowment for the purposes set forth in section 515(1) pursuant to the authority of section 10(a)(2), except that the amount so appropriated for any fiscal year shall not exceed the following limitations: $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.

(B) Sums appropriated pursuant to subparagraph (A) for any fiscal year shall remain available for obligation and expenditure until expended.