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AMENDMENT NO. ___  Calendar No. ___

Purpose: To make amendments with respect to museums, libraries, and arts and artifacts identity.

IN THE SENATE OF THE UNITED STATES—104th Cong., 1st Sess.

S. 143

To consolidate Federal employment training programs and create a new process and structure for funding the programs, and for other purposes.

Referred to the Committee on ____________________________

and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. PELL (for himself, and Mr. JEFFORDS)

Viz:

1. On page 315, after line 16, insert the following:

2 SEC. ___1. MUSEUM AND LIBRARY SERVICES.

3 The Museum Services Act (20 U.S.C. 961 et seq.)

4 is amended to read as follows:

"TITLE II—MUSEUM AND LIBRARY SERVICES 

"Subtitle A—General Provisions 

"SEC. 201. SHORT TITLE.

9 "This title may be cited as the ‘Museum and Library Services Act’.
SEC. 202. GENERAL DEFINITIONS.

"As used in this title:


"(2) DIRECTOR.—The term 'Director' means the Director of the Institute appointed under section 204.

"(3) FOUNDATION.—The term 'Foundation' means the National Foundation on the Arts and the Humanities.

"(4) INSTITUTE.—The term 'Institute' means the Institute of Museum and Library Services established under section 203.

"(5) MUSEUM BOARD.—The term 'Museum Board' means the National Museum Services Board established under section 276.

SEC. 203. INSTITUTE OF MUSEUM AND LIBRARY SERVICES.

"(a) ESTABLISHMENT.—There is established within the Foundation an Institute of Museum and Library Services.

"(b) OFFICES.—The Institute shall consist of an Office of Museum Services and an Office of Library Services.
There shall be a National Museum Services Board in the Office of Museum Services.

"SEC. 204. DIRECTOR OF THE INSTITUTE.

"(a) APPOINTMENT.—

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

"(2) TERM.—The Director shall serve for a term of 4 years.

"(3) QUALIFICATIONS.—Beginning with the first individual appointed to the position of Director after the date of enactment of this Act, Humanities, and Museum Amendments of 1995, every second individual so appointed shall be appointed from among individuals who have special competence with regard to library and information services. Beginning with the second individual appointed to the position of Director after the date of enactment of this Act, Humanities, and Museum Amendments of 1995, every second individual so appointed shall be appointed from among individuals who have special competence with regard to museum services.

"(b) COMPENSATION.—The Director shall be compensated at the rate provided for level III of the Executive
Schedule under section 5314 of title 5, United States Code.

"(e) DUTIES AND POWERS.—The Director shall perform such duties and exercise such powers as may be prescribed by law, including—

"(1) awarding financial assistance for activities described in this title; and

"(2) using not less than 5 percent and not more than 7 percent of the funds made available under this title for each fiscal year to award financial assistance for projects that involve both—

"(A) activities relating to library and information services, as described in subtitle B, carried out in accordance with such subtitle; and

"(B) activities relating to museum services, as described in subtitle C, carried out in accordance with such subtitle.

"(d) NONDELEGATION.—The Director shall not delegate any of the functions of the Director to any person who is not directly responsible to the Director.

"(e) COORDINATION.—The Director shall ensure coordination of the policies and activities of the Institute with the policies and activities of other agencies and offices of the Federal Government having interest in and responsibilities for the improvement of museums and li-
libraries and information services. Such agencies and offices shall include the National Endowment for the Arts, the National Endowment for the Humanities, the National Science Foundation, appropriate units in the Department of Education, the Library of Congress, the Smithsonian Institution, and related agencies and offices.

"SEC. 205. DEPUTY DIRECTORS.

"(a) APPOINTMENT.—The Office of Library Services shall be headed by a Deputy Director, who shall be appointed by the Director from among individuals who have a graduate degree in library science and expertise in library and information services. The Office of Museum Services shall be headed by a Deputy Director, who shall be appointed by the Director from among individuals who have expertise in museum services.

"(b) COMPENSATION.—Each such position of Deputy Director shall be a Senior Executive Service position, which shall be paid at a rate of pay for a position at ES-1 of the Senior Executive Service schedule.

"SEC. 206. PERSONNEL.

"(a) IN GENERAL.—The Director may, in accordance with applicable provisions of title 5, United States Code, appoint and determine the compensation of such employees as the Director determines to be necessary to carry out the duties of the Institute.
"(b) Voluntary Services.—The Director may accept and utilize the voluntary services of individuals and reimburse the individuals for travel expenses, including per diem in lieu of subsistence, in the same amounts and to the same extent as authorized under section 5703 of title 5, United States Code, for persons employed intermittently in Federal Government service.

"Sec. 207. Contributions.

"The Institute shall have authority to solicit, accept, receive, and invest in the name of the United States, gifts, bequests, or devises of money and other property or services and to use such property or services in furtherance of the functions of the Institute. Any proceeds from such gifts, bequests, or devises, after acceptance by the Institute, shall be paid by the donor or the representative of the donor to the Director. The Director shall enter the proceeds in a special interest bearing account to the credit of the Institute for the purposes in each case specified.

"Subtitle B—Library Services and Technology

"Sec. 211. Short Title.

"This subtitle may be cited as the 'Library Services and Technology Act'.

"SEC. 212. STATEMENT OF PURPOSE; RECOGNITION OF NEED.

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

“(1) To stimulate excellence and promote equity and lifelong access to learning and information resources in all types of libraries.

“(2) To combine the ability of the Federal Government to stimulate significant improvement and innovation in library services with support at State and local levels, and with cooperative programs with other agencies and with public and private sector partnerships, to achieve national library service goals.

“(3) To establish national library service goals for the 21st century. Such goals are that every person in America will be served by a library that—

“(A) provides all users access to information through regional, State, national, and international electronic networks;

“(B) contributes to a productive workforce, and to economic development, by providing resources and services designed to meet local community needs;
“(C) provides a full range of resources and programs to develop reading and critical thinking skills for children and adults;
“(D) provides targeted services to people of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to people with limited functional literacy or information skills; and
“(E) provides adequate hours of operation, facilities, staff, collections, and electronic access to information.
“(b) RECOGNITION OF NEED.—The Congress recognizes that strong library services are essential to empower people to succeed in our Nation’s increasingly global and technological environment.
“SEC. 213. DEFINITIONS.
“As used in this subtitle:
“(1) INDIAN TRIBE.—The term ‘Indian tribe’ means any tribe, band, nation, or other organized group or community, including any Alaska native village, regional corporation, or village corporation, as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), which is recognized by the Secretary of the Interior as eligible for the special programs and serv-
ices provided by the United States to Indians because of their status as Indians.

“(2) LIBRARY CONSORTIA.—The term ‘library consortia’ means any local, statewide, regional, interstate, or international cooperative association of library entities which provides for the systematic and effective coordination of the resources of school, public, academic, and special libraries and information centers for improved services for their clientele.

“(3) LIBRARY ENTITY.—The term ‘library entity’ means a library that performs all activities of a library relating to the collection and organization of library materials and other information and that makes the materials and information publicly available. Such term includes State library administrative agencies and the libraries, library related entities, cooperatives, and consortia through which library services are made publicly available.

“(4) PUBLIC LIBRARY.—The term ‘public library’ means a library that serves free of charge all residents of a community, district, or region, and receives its financial support in whole or in part from public funds. Such term also includes a research library, which, for the purposes of this sentence, means a library, which—
“(A) makes its services available to the public free of charge;

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

“(C) engages in the dissemination of humanistic knowledge through services to readers, fellowships, educational and cultural programs, publications of significant research, and other activities; and

“(D) is not an integral part of an institution of higher education.

“(5) State.—The term ‘State’, unless otherwise specified, includes the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

“(6) State Advisory Council.—The term ‘State advisory council’ means an advisory council established pursuant to section 252.
"(7) State library administrative agency.—The term ‘State library administrative agency’
means the official agency of a State charged by law
of that State with the extension and development of
public library services throughout the State, which
has adequate authority under law of the State to ad-
minister the State plan in accordance with the provi-
sions of this subtitle.

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


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

“(A) for the purpose of awarding grants under subchapter A of chapter 2 and for related administrative expenses, $75,000,000 for fiscal year 1996, and such sums as may be necessary for each of the 4 succeeding fiscal years; and

“(B) for the purpose of awarding grants under subchapter B of chapter 2 and for related administrative expenses, $75,000,000 for fiscal year 1996, and such sums as may be necessary for each of the 4 succeeding fiscal years.

“(2) TRANSFER.—The Secretary of Education shall transfer any funds appropriated under the authority of paragraph (1) to the Director to enable the Director to carry out this subtitle.

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

“(c) ADMINISTRATION.—Not more than 10 percent of the funds appropriated under this section for a fiscal year may be used to pay for the Federal administrative costs of carrying out this subtitle.
CHAPTER 1—BASIC PROGRAM
REQUIREMENTS

SEC. 221. RESERVATIONS AND ALLOTMENTS.

(a) RESERVATIONS.—From the amount appropriated under the authority of section 214(a) for any fiscal year, the Director—

(1) shall reserve 1½ percent to award grants in accordance with section 261; and

(2) shall reserve 8 percent to carry out a national leadership program in library science in accordance with section 262.

(b) ALLOTMENTS.—

(1) IN GENERAL.—From the sums appropriated under the authority of section 214(a) and not reserved under subsection (a) for any fiscal year, the Director shall allot the minimum allotment, as determined under paragraph (3), to each State. Any sums remaining after minimum allotments have been made for such year shall be allotted in the manner set forth in paragraph (2).

(2) REMAINDER.—From the remainder of any sums appropriated under the authority of section 214(a) that are not reserved under subsection (a) and not allotted under paragraph (1) for any fiscal year, the Director shall allot to each State an
amount that bears the same relation to such remainder as the population of the State bears to the population of all the States.

"(3) MINIMUM ALLOTMENT.—

"(A) IN GENERAL.—For the purposes of this subsection, the minimum allotment shall be—

"(i) with respect to appropriations for the purposes of subchapter A of chapter 2, $200,000 for each State, except that the minimum allotment shall be $40,000 in the case of Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau; and

"(ii) with respect to appropriations for the purposes of subchapter B of chapter 2, $200,000 for each State, except that the minimum allotment shall be $40,000 in the case of Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the
Federated States of Micronesia, and the
Republic of Palau.

"(B) RATABLE REDUCTIONS.—If the sums
appropriated under the authority of section
214(a) and not reserved under subsection (a)
for any fiscal year are insufficient to fully sat-
ify the aggregate of the minimum allotments
for all States for that purpose for such year,
each of such minimum allotments shall be re-
duced ratably.

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

"SEC. 222. ADMINISTRATION AND EVALUATION.

"(a) IN GENERAL.—Not more than 5 percent of the
total funds received under this subtitle for any fiscal year
by a State may be used for administration.

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

"SEC. 223. PAYMENTS; FEDERAL SHARE; AND MAINTENANCE OF EFFORT REQUIREMENTS.

"(a) PAYMENTS.—The Director shall pay to each
State library administrative agency having a State plan
approved under section 224 the Federal share of the cost
of the activities described in the State plan.

"(b) FEDERAL SHARE.—

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

"(2) NON-FEDERAL SHARE.—The non-Federal
share of payments shall be provided from non-Fed-
eral, State, or local sources.

"(3) SPECIAL RULE.—The Federal share—

"(A) for the Commonwealth of Puerto
Rico, Guam, American Samoa, the United
States Virgin Islands, and the Commonwealth
of the Northern Mariana Islands, shall be 66
percent; and

"(B) for the Republic of the Marshall Is-
lands, the Federated States of Micronesia, and
the Republic of Palau, shall be 100 percent.

"(c) MAINTENANCE OF EFFORT.—

"(1) IN GENERAL.—The amount otherwise pay-
able to a State for a fiscal year under chapter 2
shall be reduced if the level of State expenditures, as
described in paragraph (2), for the previous fiscal
year are less than the average of the total of such
expenditures for the 3 fiscal years preceding that
previous fiscal year. The amount of the reduction in
allotment for any fiscal year shall be in exact proportion to the amount which the State fails to meet the requirement of this subsection.

"(2) LEVEL OF STATE EXPENDITURES.—The level of State expenditures for the purposes of paragraph (1) shall include all State dollars expended by the State library administrative agency for library programs that are consistent with the purposes of this subtitle. All funds included in the maintenance of effort calculation under this subsection shall be expended during the fiscal year for which the determination is made, and shall not include capital expenditures, special one-time project costs, or similar windfalls.

"(3) WAIVER.—The Director may waive the requirements of paragraph (1) if the Director determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

"SEC. 224. STATE PLANS.

"(a) STATE PLAN REQUIRED.—

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

“(2) DURATION.—The State plan shall cover a period of 5 fiscal years.

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

“(b) CONTENTS.—The State plan shall—

“(1) specify priorities for improvement of library services so that all people in the State have convenient and appropriate access to information delivered by libraries through new and emerging technologies assisted under subchapter A of chapter 2;

“(2) identify those persons who need special services under subchapter B of chapter 2 and specify priorities for meeting the purpose described in section 241(a);

“(3) describe how section 243 will be implemented within the State, specify the accountability and evaluation procedures to be followed by public libraries receiving funds under such section, and
specify whether and how funds are to be aggregated under section 243(b)(2) to improve library services provided to children in the State described in section 243(a)(2);

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

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

“(B) a description of the types of libraries and library entities that will be eligible to receive funds under this subtitle;

“(5) provide that any funds paid to the State in accordance with the State plan shall be expended solely for the purposes for which the funds are authorized and appropriated and that such fiscal control and fund accounting procedures have been adopted as may be necessary to assure proper disbursement of, and account for, Federal funds paid to the State (including any such funds paid by the State to any other entity) under this subtitle;

“(6) provide procedures to ensure that the State library administrative agency shall involve libraries and users throughout the State in policy decisions regarding implementation of this subtitle,
and development of the State plan, including estab-
lishing the State advisory council;

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

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

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

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

“(D) will report annually at a meeting of
the State advisory council on the State library
administrative agency’s progress toward meet-
ing the goals and objectives of the State plan;
“(8) describe the process for assessing the needs for library and information services within the State, and describe the results of the most recent needs assessment;

“(9) establish goals and objectives for achieving within the State the purposes of this subtitle, including the purposes in sections 212(a), 231(a), and 241(a); and

“(10) describe how the State library administrative agency, in consultation with the State advisory council, will—

“(A) administer this subtitle; and

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

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

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

“(2) express such goals in an objective, quantifiable, and measurable form unless authorized to be in an alternative form in accordance with section 1115(b) of title 31, United States Code;

“(3) briefly describe the operational processes, skills and technology, and the human, capital, infor-
information, or other resources, required to meet the performance goals;

"(4) establish performance indicators in accordance with subsection (d) to be used in measuring or assessing the relevant outputs, service levels, and outcomes, of each activity assisted under this subtitle;

"(5) provide a basis for comparing actual program results with the established performance goals; and

"(6) describe the means to be used to verify and validate measured values.

"(d) PERFORMANCE INDICATORS.—Performance indicators described in subsection (c)(4) shall include—

"(1) evidence of progress toward the national library service goals under section 212(a)(3);

"(2) consultation with the State educational agency;

"(3) identification of activities suitable for nationwide replication; and

"(4) progress in improvement of library services provided to children described in section 243(a)(2).

"(e) APPROVAL.—

"(1) IN GENERAL.—The Director shall approve any State plan under this subtitle that meets the re-
requirements of this subtitle and provides satisfactory assurances that the provisions of such plan will be carried out.

"(2) PUBLIC AVAILABILITY.—Each State library administrative agency receiving a grant under this subtitle shall make the State plan available to the public.

"(3) ADMINISTRATION.—If the Director determines that the State plan does not meet the requirements of this section, the Director shall—

"(A) immediately notify the State library administrative agency of such determination and the reasons for such determination;

"(B) offer the State library administrative agency the opportunity to revise its State plan;

"(C) provide technical assistance in order to assist the State library administrative agency to meet the requirements of this section; and

"(D) provide the State library administrative agency the opportunity for a hearing."
“CHAPTER 2—LIBRARY PROGRAMS

“Subchapter A—Information Access Through Technology

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

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

“(b) GRANTS.—

“(1) IN GENERAL.—The Director shall award grants under this subchapter from allotments under section 221(b) to States that have State plans approved under section 224.

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

“SEC. 232. AUTHORIZED ACTIVITIES.

“Each State that receives a grant under section 231(b) may use the grant funds to provide statewide services and subgrants to public libraries, other types of librar-
ies and library consortia, or library linkages with other
entities, in accordance with the State plan. Such services
and subgrants shall involve—

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

“(2) lifelong learning, and workforce and eco-

“(3) support of technology infrastructure.

“Subchapter B—Information Empowerment
Through Special Services

“SEC. 241. GRANTS TO STATES FOR INFORMATION
EMPOWERMENT THROUGH SPECIAL SER-
VICES.

“(a) PURPOSE.—The purpose of this subchapter is
to provide for the improvement of library and information
services targeted to persons of all ages and cultures who
have difficulty using a library and to communities which
are geographically disadvantaged in access to libraries,
who or which need special materials or services, or who
or which will benefit from outreach services for equity of
access to library services and information technologies, in-
cluding children (from birth through age 17) from families
living below the income official poverty line (as defined
by the Office of Management and Budget, and revised an-
ually in accordance with section 673(2) of the Commu-
nity Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved).

“(b) GRANTS.—

“(1) IN GENERAL.—The Director shall award grants under this subchapter from allotments under section 221(b) to States that have State plans approved under section 224.

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

“SEC. 242. AUTHORIZED ACTIVITIES.

“Each State that receives a grant under section 241(b) may use the grant funds to provide statewide services and subgrants to public libraries, other types of libraries and library consortia, or library linkages with other entities, in accordance with the State plan. Such services and subgrants shall involve activities that—

“(1) increase literacy and lifelong learning;

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

“(3) support the provision of special services.

“SEC. 243. SERVICES FOR CHILDREN IN POVERTY.

“(a) STATE LEVEL RESERVATION.—
“(1) IN GENERAL.—Except as provided in subsection (c), from the total amount that each State library administrative agency receives under this subchapter for a fiscal year, such agency shall reserve the amount of funds determined under paragraph (2) to provide assistance to public libraries in the State to enable such libraries to enhance the provision of special services to children described in such paragraph who are served by such libraries.

“(2) AMOUNT.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the amount of funds a State library administrative agency shall reserve under paragraph (1) shall be equal to the sum of—

“(i) $1.50 for every preschooler (birth through age 5) in the State from a family living below the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved); and
"(ii) $1.00 for every school-age child
(ages 6 through 17) in the State from such
a family.

"(B) MAXIMUM.—The maximum amount
that a State library administrative agency may
reserve under paragraph (1) for any fiscal year
shall not exceed 15 percent of the total amount
such agency receives under this subchapter for
such year.

"(b) WITHIN STATE DISTRIBUTION.—

"(1) IN GENERAL.—Except as provided in para-
graph (2), each public library in a State shall receive
under this section for a fiscal year an amount that
bears the same relation to the amount the State li-
brary administrative agency reserves under sub-
section (a) for such year as the number of children
described in subsection (a)(2) served by such public
library for the preceding fiscal year bears to the
number of such children served by all public libraries
in the State for such preceding fiscal year.

"(2) EXCEPTION.—

"(A) IN GENERAL.—If a State library ad-
ministrative agency determines that the amount
available under paragraph (1) for a fiscal year
for 2 or more public libraries is too small to be
effective, then such agency may aggregate such amounts for such year.

"(B) REQUIREMENTS.—Each State library administrative agency aggregating amounts under subparagraph (A) for a fiscal year—

"(i) shall only aggregate the amount available under paragraph (1) for a public library for a fiscal year if the amount so available for such year is $3,000 or less; and

"(ii) shall use such aggregated amounts to enhance the library services provided to the children described in subsection (a)(2) served by the public libraries for which such agency aggregated such amounts for such year.

"(c) ADJUSTMENTS.—

"(1) APPROPRIATIONS INCREASE.—For any fiscal year for which the amount appropriated to carry out this subtitle is greater than the amount appropriated to carry out this subtitle for the preceding fiscal year by a percentage that equals or exceeds 10 percent, the amount each State library administrative agency shall reserve under subsection (a)(2) for
the fiscal year for which the determination is made
shall be increased by the same such percentage.

"(2) Appropriations Decrease.—For any
fiscal year for which the amount appropriated to
carry out this subtitle is less than the amount ap-
propriated to carry out this subtitle for the preced-
ing fiscal year by a percentage that equals or ex-
ceeds 10 percent, the amount each State library ad-
ministrative agency shall reserve under subsection
(a)(2) for the fiscal year for which the determination
is made shall be decreased by the same such per-
centage.

"(d) Plan.—Each public library desiring assistance
under this section shall submit a plan for the expenditure
of funds under this section to the State library administra-
tive agency. Such plan shall include a description of how
the library will—

"(1) identify the children described in sub-
section (a)(2);

"(2) collaborate with community representatives
to ensure planning and implementation of appro-
priate, helpful library services; and

"(3) establish indicators of success.
"(e) PRIORITIES.—Priorities for the use of funds under this section may include activities for children described in subsection (a)(2) such as—

"(1) development of after-school homework support and summer and vacation reading programs;

"(2) development of family literacy programs;

"(3) extension of branch hours to provide space and resources for homework;

"(4) development of coalitions and training programs involving libraries and other service providers in the State;

"(5) development of technological resources;

"(6) hiring specialized outreach staff; and

"(7) development of peer tutoring programs.

CHAPTER 3—ADMINISTRATIVE PROVISIONS

"Subchapter A—State Requirements

"SEC. 251. STATE EVALUATION.

"(a) IN GENERAL.—Each State receiving a grant under this subtitle shall annually evaluate, in accordance with subsections (b) and (c), the activities assisted under subchapters A and B of chapter 2.

"(b) SUBCHAPTER A ACTIVITIES.—Each evaluation of activities assisted under subchapter A of chapter 2 shall
include a description of how effective such activities are in ensuring that—

"(1) every American will have affordable access to information resources through electronic networks;

"(2) every public library will be connected to national and international electronic networks;

"(3) every State library agency will promote planning and provide support for full library participation in electronic networks;

"(4) every public librarian will possess the knowledge and skills needed to help people obtain information through electronic sources; and

"(5) every public library will be equipped with the technology needed to help people obtain information in an effective and timely manner.

"(e) Subchapter B Activities.—

“(1) In general.—Each evaluation of activities assisted under subchapter B of chapter 2 shall include—

“(A) with respect to activities to increase literacy and lifelong learning—

“(i) an analysis of the current situation in the State;
“(ii) how such activities will meet the needs of the current situation in the State and the target groups to be served; and

“(iii) a report of the effect of such activities in relation to the objectives of such activities;

“(B) with respect to activities to serve people in rural and urban areas—

“(i) procedures used to identify library users within a community;

“(ii) a description of needs and target groups to be served;

“(iii) an analysis of the levels of success to be targeted;

“(iv) a report of the effect of such activities in relation to the objectives of such activities; and

“(v) a description of the background of the current level of library service to people in rural and urban areas, and how such activities will extend, improve, and further provide library resources to such people;

“(C) with respect to activities to support the provision of special services—
“(i) an analysis of the current situation in the State;

“(ii) how such activities will meet the needs of the current situation in the State; and

“(iii) a report of the effect of such activities in relation to the objectives of such activities; and

“(D) with respect to activities to serve children under section 243—

“(i) an analysis of the current local situations;

“(ii) a description of such activities, including objectives and costs of such activities; and

“(iii) a report of the effect of such activities in relation to the objectives of such activities.

“(2) INFORMATION.—Each public library receiving assistance under section 243 shall submit to the State library administrative agency such information as such agency may require to meet the requirements of paragraph (1)(D).
"SEC. 252. STATE ADVISORY COUNCILS.

(a) COUNCILS REQUIRED.—Each State desiring assistance under this subtitle shall establish a State advisory council.

(b) COMPOSITION.—Each State advisory council shall be broadly representative of the library entities in the State, including public, school, academic, special, and institutional libraries, and libraries serving individuals with disabilities.

(c) DUTIES.—Each State advisory council shall—

(1) consult with the State library administrative agency regarding the development of the State plan;

(2) advise the State library administrative agency on the development of, and policy matters arising in the administration of, the State plan, including mechanisms for evaluation;

(3) assist the State library administrative agency in—

(A) the dissemination of information regarding activities assisted under this subtitle; and

(B) the evaluation of activities assisted under this subtitle; and

(4) establish bylaws to carry out such council’s duties under this subsection.
"Subchapter B—Federal Requirements

"SEC. 261. SERVICES FOR INDIAN TRIBES.

"(a) Grants Authorized.—From amounts reserved under section 221(a)(1) for any fiscal year the Director shall award grants to organizations primarily serving and representing Indian tribes to enable such organizations to carry out the authorized activities described in subsection (b).

"(b) Authorized Activities.—Grant funds awarded under this section may be used for—

"(1) inservice or preservice training of Indians as library personnel;

"(2) the purchase of library materials;

"(3) the conduct of special library programs for Indians;

"(4) salaries of library personnel;

"(5) transportation to enable Indians to have access to library services;

"(6) dissemination of information about library services;

"(7) assessment of tribal library needs; and

"(8) contracts to provide public library services to Indians living on or near reservations or to accomplish any activities described in paragraphs (1) through (7).
“(c) PROHIBITION.—No funds shall be awarded pursuant to this section unless such funds will be administered by a librarian.

“(d) DUPLICATION.—In awarding grants under this section, the Director shall take such actions as may be necessary to prevent the grant funds provided under this section from being received by any 2 or more entities to serve the same population.

“(e) MAINTENANCE OF EFFORT.—Each organization that receives a grant under this section and supports a public library system shall continue to expend from Federal, State, and local sources an amount not less than the amount expended by such organization from such sources for public library services during the second fiscal year preceding the fiscal year for which the determination is made.

“(f) CONSTRUCTION.—Nothing in this section shall be construed to prohibit the dissemination of restricted collections of tribal cultural materials with funds made available under this section.

“(g) APPLICATION.—

“(1) IN GENERAL.—Any organization which desires to receive a grant under this section shall submit an application to the Director that—
(A) describes the activities and services for which assistance is sought; and

(B) contains such information as the Director may require by regulation.

(2) CRITERIA.—The Director shall issue criteria for the approval of applications under this section, but such criteria shall not include—

(A) an allotment formula; or

(B) a matching of funds requirement.

SEC. 262. NATIONAL LEADERSHIP PROGRAM.

(a) IN GENERAL.—From the amounts reserved under section 221(a)(2) for any fiscal year the Director shall establish and carry out a program of national leadership and evaluation activities to enhance the quality of library services nationwide. Such activities may include—

(1) education and training of persons in library and information science, particularly in areas of new technology and other critical needs, including graduate fellowships, traineeships, institutes, or other programs;

(2) research and demonstration projects related to the improvement of libraries, education in library and information science, enhancement of library services through effective and efficient use of
new technologies, and dissemination of information derived from such projects; and

“(3) preservation or digitization of library materials and resources, giving priority to projects emphasizing coordination, avoidance of duplication, and access by researchers beyond the institution or library entity undertaking the project.

“(b) GRANTS OR CONTRACTS.—

“(1) IN GENERAL.—The Director may carry out the activities described in subsection (a) by awarding grants to, or entering into contracts with, library entities, agencies, or institutions of higher education.

“(2) COMPETITIVE BASIS.—Grants and contracts described in paragraph (1) shall be awarded on a competitive basis.

“(c) SPECIAL RULE.—The Director, with policy advice from the Museum Board shall make every effort to ensure that activities assisted under this section are administered by appropriate library and information services professionals or experts and science professionals or experts.

“SEC. 263. STATE AND LOCAL INITIATIVES.

“Nothing in this subtitle shall be construed to interfere with State and local initiatives and responsibility in
the conduct of library services. The administration of libraries, the selection of personnel and library books and materials, and insofar as consistent with the purposes of this subtitle, the determination of the best uses of the funds provided under this subtitle, shall be reserved to the States and their local subdivisions.

"Subtitle C—Museum Services"

"SEC. 271. PURPOSE.

"It is the purpose of this subtitle—

"(1) to encourage and assist museums in their educational role, in conjunction with formal systems of elementary, secondary, and postsecondary education and with programs of nonformal education for all age groups;

"(2) to assist museums in modernizing their methods and facilities so that the museums may be better able to conserve the cultural, historic, and scientific heritage of the United States; and

"(3) to ease the financial burden borne by museums as a result of their increasing use by the public."

"SEC. 272. DEFINITIONS.

"As used in this subtitle, the term 'museum' means a public or private nonprofit agency or institution organized on a permanent basis for essentially educational or
aesthetic purposes, that utilizes a professional staff, owns or utilizes tangible objects, cares for the tangible objects, and exhibits the tangible objects to the public on a regular basis.

“SEC. 273. MUSEUM SERVICES ACTIVITIES.

“(a) GRANTS.—The Director, subject to the policy direction of the Museum Board, may make grants to museums to pay for the Federal share of the cost of increasing and improving museum services, through such activities as—

“(1) programs to enable museums to construct or install displays, interpretations, and exhibitions in order to improve museum services to the public;

“(2) assisting museums in developing and maintaining professionally trained or otherwise experienced staff to meet their needs;

“(3) assisting museums in meeting their administrative costs in preserving and maintaining their collections, exhibiting the collections to the public, and providing educational programs to the public through the use of the collections;

“(4) assisting museums in cooperating with each other in developing traveling exhibitions, meeting transportation costs, and identifying and locating collections available for loan;
"(5) assisting museums in conservation of their collections; 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) CONTRACTS AND COOPERATIVE AGREEMENTS.—

"(1) PROJECTS TO STRENGTHEN MUSEUM SERVICES.—The Director, subject to the policy direction of the Museum Board, is authorized to enter into contracts and cooperative agreements with appropriate entities to pay for the Federal share of enabling the entities to undertake projects designed to strengthen museum services, except that any contracts or cooperative agreements entered into pursuant to this subsection shall be effective only to such extent or in such amounts as are provided in appropriations Acts.

"(2) LIMITATION ON AMOUNT.—The aggregate amount of financial assistance made available under this subsection for a fiscal year shall not exceed 15 percent of the amount appropriated under this subtitle for such fiscal year.
"(3) OPERATIONAL EXPENSES.—No financial assistance may be provided under this subsection to pay for operational expenses.

"(c) FEDERAL SHARE.—

"(1) 50 PERCENT.—Except as provided in paragraph (2), the Federal share described in subsections (a) and (b) shall be not more than 50 percent.

"(2) 100 PERCENT.—The Director may use not more than 20 percent of the funds made available under this section for a fiscal year to make grants under subsection (a), or enter into contracts or agreements under subsection (b), for which the Federal share may be 100 percent.

"(d) REVIEW AND EVALUATION.—The Director shall establish procedures for reviewing and evaluating grants, contracts, and cooperative agreements made or entered into under this section. Procedures for reviewing grant applications or contracts and cooperative agreements for financial assistance under this section shall not be subject to any review outside of the Institute.

"SEC. 274. ASSESSMENTS.

"(a) IN GENERAL.—The Director, subject to the policy direction of the Museum Board and in consultation with appropriate representatives of museums and other
types of community institutions, agencies, and organizations, shall undertake an assessment of the collaborative possibilities museums can engage in to serve the public more broadly and effectively.

“(b) CONTENTS.—The assessment shall include—

“(1) an investigation of opportunities to establish collaborative programs between museums within a community, including an investigation of the role that larger institutions can play as mentors to smaller institutions;

“(2) an investigation of opportunities to establish collaborative programs between museums and community organizations;

“(3) an investigation of the potential for collaboration between museums on technology issues to reach a broader audience; and

“(4) an investigation of opportunities for museums to work with each other and with other community resources to serve the public better and to coordinate professional and financial development activities.

“(c) LIMITATION.—This section shall not apply in any fiscal year for which the amount appropriated under section 277(a) is less than $28,700,000.
"SEC. 275. AWARD.

"The Director, with the advice of the Museum Board, may annually award a National Award for Museum Service to outstanding museums that have made significant contributions in service to their communities.

"SEC. 276. NATIONAL MUSEUM SERVICES BOARD.

"(a) ESTABLISHMENT.—There is established in the Institute a National Museum Services Board.

"(b) COMPOSITION AND QUALIFICATIONS.—

"(1) COMPOSITION.—The Museum Board shall consist of the Director and 14 members appointed by the President, by and with the advice and consent of the Senate.

"(2) QUALIFICATIONS.—The appointive members of the Museum Board shall be selected from among citizens of the United States—

"(A) who are members of the general public;

"(B) who are or have been affiliated with—

"(i) resources that, collectively, are broadly representative of the curatorial, conservation, educational, and cultural resources of the United States; and

"(ii) museums that, collectively, are broadly representative of various types of
museums, including museums relating to science, history, technology, and art, zoos, and botanical gardens; and
“(C) who are recognized for their broad knowledge, expertise, or experience in museums or commitment to museums.

“(3) Geographic and Other Representation.—Members of the Museum Board shall be appointed to reflect persons from various geographic regions of the United States. The Museum Board may not include, at any time, more than 3 members from a single State. In making such appointments, the President shall give due regard to equitable representation of women, minorities, and persons with disabilities who are involved with museums.

“(c) Terms.—
“(1) In General.—Each appointive member of the Museum Board shall serve for a term of 5 years, except that—
“(A) of the members first appointed, 3 shall serve for terms of 5 years, 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 2 shall serve for terms of 1 year, as designated
by the President at the time of nomination for
appointment; and

"(B) any member appointed to fill a va-
cancy shall serve for the remainder of the term
for which the predecessor of the member was
appointed.

"(2) REAPPOINTMENT.—No member of the
Museum Board who has been a member for more
than 7 consecutive years shall be eligible for re-
appointment.

"(3) SERVICE UNTIL SUCCESSOR TAKES OFF-
FICE.—Notwithstanding any other provision of this
subsection, a member shall serve after the expiration
of the term of the member until the successor to the
member takes office.

"(d) DUTIES AND POWERS.—The Museum Board
shall have the responsibility for general policies with re-
spect to the duties, powers, and authorities vested in the
Institute relating to museum services, including general
policies with respect to—

"(1) financial assistance awarded under this
title for museum services;

"(2) projects described in section 204(e)(2); and

and
“(3) measures to ensure that the policies and activities of the Institute for Museum and Library Services are coordinated with other activities of the Federal Government.

“(e) CHAIRPERSON.—The President shall designate 1 of the appointive members of the Museum Board as Chairperson of the Museum Board.

“(f) MEETINGS.—

“(1) IN GENERAL.—The Museum Board shall meet—

“(A) not less than 3 times each year, including—

“(i) not less than 2 times each year separately; and

“(ii) not less than 1 time each year in a joint meeting with the Commission, convened for purposes of making general policies with respect to financial assistance for projects described in section 204(c)(2); and

“(B) at the call of the Director.

“(2) VOTE.—All decisions by the Museum Board with respect to the exercise of the duties and powers of the Museum Board shall be made by a majority vote of the members of the Museum Board who are present. All decisions by the Commission
and the Museum Board with respect to the policies described in paragraph (1)(A)(ii) shall be made by a \( \frac{2}{3} \) majority vote of the total number of the members of the Commission and the Museum Board who are present.

"(g) QUORUM.—A majority of the members of the Museum Board shall constitute a quorum for the conduct of business at official meetings of the Museum Board, but a lesser number of members may hold hearings. A majority of the members of the Commission and a majority of the members of the Museum Board shall constitute a quorum for the conduct of business at official joint meetings of the Commission and the Museum Board.

"(h) COMPENSATION AND TRAVEL EXPENSES.—

“(1) COMPENSATION.—Each member of the Museum Board who is not an officer or employee of the Federal Government shall be compensated at a rate to be fixed by the President, but not to exceed the daily equivalent of the maximum rate authorized for a position above grade GS-15 of the General Schedule under section 5108 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Museum Board. All members of the Museum Board who are officers or
employees of the Federal Government shall serve
without compensation in addition to compensation
received for their services as officers or employees of
the Federal Government.

“(2) TRAVEL EXPENSES.—The members of the
Museum Board shall be allowed travel expenses, in-
cluding per diem in lieu of subsistence, in the same
amounts and to the same extent, as authorized
under section 5703 of title 5, United States Code,
for persons employed intermittently in Federal Gov-
ernment service.

“(i) COORDINATION.—The Museum Board, with the
advice of the Director, shall take steps to ensure that the
policies and activities of the Institute are coordinated with
other activities of the Federal Government.

“SEC. 277. AUTHORIZATION OF APPROPRIATIONS.

“(a) GRANTS.—For the purpose of carrying out this
subtitle, there are authorized to be appropriated to the Di-
rector $28,700,000 for the fiscal year 1996, and such
sums as may be necessary for each of the fiscal years 1997
through 2000.

“(b) ADMINISTRATION.—Not more than 10 percent
of the funds appropriated under this section for a fiscal
year may be used to pay for the administrative costs of
carrying out this subtitle.
“(c) JOINT PROJECTS.—Not less than 5 percent and not more than 7 percent of the funds appropriated under this section for a fiscal year may be made available for projects described in section 204(c)(2) for the fiscal year.

“(d) SUMS REMAINING AVAILABLE.—Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation until expended.”.

SEC. 2. NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE.

(a) FUNCTIONS.—Section 5 of the National Commission on Libraries and Information Science Act (20 U.S.C. 1504) is amended—

(1) by redesignating subsections (b) through (d) as subsections (d) through (f), respectively; and

(2) by inserting after subsection (a) the following:

“(b) The Commission shall have the responsibility to advise the Director of the Institute of Museum and Library Services on general policies with respect to the duties and powers vested in the Institute of Museum and Library Services relating to library services, including—

“(1) general policies with respect to—

“(A) financial assistance awarded under the Museum and Library Services Act for library services; and
“(B) projects described in section 204(c)(2) of such Act; and
“(2) measures to ensure that the policies and activities of the Institute of Museum and Library Services are coordinated with other activities of the Federal Government.
“(c)(1) The Commission shall meet not less than 1 time each year in a joint meeting with the National Museum Services Board, convened for purposes of providing advice on general policy with respect to financial assistance for projects described in section 204(c)(2) of such Act.
“(2) All decisions by the Commission and the National Museum Services Board with respect to the advice on general policy described in paragraph (1) shall be made by a 2/3 majority vote of the total number of the members of the Commission and the National Museum Services Board who are present.
“(3) A majority of the members of the Commission and a majority of the members of the National Museum Services Board shall constitute a quorum for the conduct of business at official joint meetings of the Commission and the National Museum Services Board.”.
(b) MEMBERSHIP.—Section 6 of the National Commission on Libraries and Information Science Act (20 U.S.C. 1505) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking “Librarian of Congress” and inserting “Librarian of Congress, the Director of the Institute of Museum and Library Services (who shall serve as an ex officio, nonvoting member),”;

(B) in the second sentence—

(i) by striking “special competence or interest in” and inserting “special competence in or knowledge of; and

(ii) by inserting before the period the following: “and at least one other of whom shall be knowledgeable with respect to the library and information service and science needs of the elderly”;

(C) in the third sentence, by inserting “appointive” before “members”; and

(D) in the last sentence, by striking “term and at least” and all that follows and inserting “term.”; and

(2) in subsection (b), by striking “the rate specified” and all that follows through “and while” and
inserting "the daily equivalent of the maximum rate authorized for a position above grade GS-15 of the General Schedule under section 5108 of title 5, United States Code, for each day (including travel-time) during which the members are engaged in the business of the Commission. While".

SEC. 3. TRANSFER OF FUNCTIONS FROM INSTITUTE OF MUSEUM SERVICES.

(a) DEFINITIONS.—For purposes of this section, unless otherwise provided or indicated by the context—

(1) the term "Federal agency" has the meaning given to the term "agency" by section 551(1) of title 5, United States Code;

(2) the term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(3) the term "office" includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(b) TRANSFER OF FUNCTIONS.—There are transferred to the Institute of Museum and Library Services established under section 203 of the Museum and Library Services Act all functions that the Director of the Institute of Museum Services exercised before the date of enact-
(c) Determinations of Certain Functions by the Office of Management and Budget.—If necessary, the Office of Management and Budget shall make any determination of the functions that are transferred under subsection (b).

(d) Delegation and Assignment.—Except where otherwise expressly prohibited by law or otherwise provided by this section, the Director of the Institute of Museum and Library Services may delegate any of the functions transferred to the Director of the Institute of Museum and Library Services by this section and any function transferred or granted to such Director of the Institute of Museum and Library Services after the effective date of this section to such officers and employees of the Institute of Museum and Library Services as the Director of the Institute of Museum and Library Services may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions by the Director of the Institute of Museum and Library Services under this section or under any other provision of this section shall relieve such Director of the Institute of Museum and Library Services of responsibility for the administration of such functions.
(e) REORGANIZATION.—The Director of the Institute of Museum and Library Services may allocate or reallocate any function transferred under subsection (b) among the officers of the Institute of Museum and Library Services, and may establish, consolidate, alter, or discontinue such organizational entities in the Institute of Museum and Library Services as may be necessary or appropriate.

(f) RULES.—The Director of the Institute of Museum and Library Services may prescribe, in accordance with chapters 5 and 6 of title 5, United States Code, such rules and regulations as the Director of the Institute of Museum and Library Services determines to be necessary or appropriate to administer and manage the functions of the Institute of Museum and Library Services.

(g) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—Except as otherwise provided in this section, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this section, subject to section 1531 of title 31, United States Code, shall be transferred to the Institute of Museum and Library Services. Unexpended funds transferred pursuant to this sub-
section shall be used only for the purposes for which the funds were originally authorized and appropriated.

(h) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions transferred by this section, and make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out this section. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this section and for such further measures and dispositions as may be necessary to effectuate the purposes of this section.

(i) EFFECT ON PERSONNEL.—

(1) IN GENERAL.—Except as otherwise provided by this section, the transfer pursuant to this section of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or com-
pensation for 1 year after the date of transfer of such employee under this section.

(2) EXECUTIVE SCHEDULE POSITIONS.—Except as otherwise provided in this section, any person who, on the day preceding the effective date of this section, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Institute of Museum and Library Services to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(j) SAVINGS PROVISIONS.—

(1) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(A) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official of a Federal
agency, or by a court of competent jurisdiction, in the performance of functions that are transferred under this section; and

(B) that were in effect before the effective date of this section, or were final before the effective date of this section and are to become effective on or after the effective date of this section;

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Director of the Institute of Museum and Library Services or other authorized official, a court of competent jurisdiction, or by operation of law.

(2) PROCEEDINGS NOT AFFECTED.—This section shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the Institute of Museum Services on the effective date of this section, with respect to functions transferred by this section. Such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken from the orders, and payments shall be made pursuant to the orders, as if this section had not
been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this paragraph shall be construed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(3) SUITS NOT AFFECTED.—This section shall not affect suits commenced before the effective date of this section, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section had not been enacted.

(4) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Institute of Museum Services, or by or against any individual in the official capacity of such individual as an officer of the Institute of Museum Services, shall abate by reason of the enactment of this section.

(5) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—Any administra-
tive action relating to the preparation or promulga-
tion of a regulation by the Institute of Museum
Services relating to a function transferred under this
section may be continued by the Institute of Mu-
seum and Library Services with the same effect as
if this section had not been enacted.

(k) TRANSITION.—The Director of the Institute of
Museum and Library Services may utilize—

(1) the services of such officers, employees, and
other personnel of the Institute of Museum Services
with respect to functions transferred to the Institute
of Museum and Library Services by this section; and

(2) funds appropriated to such functions for
such period of time as may reasonably be needed to
facilitate the orderly implementation of this section.

(l) REFERENCES.—A reference in any other Federal
law, Executive order, rule, regulation, or delegation of au-
thority, or any document of or relating to—

(1) the Director of the Institute of Museum
Services with regard to functions transferred under
subsection (b), shall be deemed to refer to the Direc-
tor of the Institute of Museum and Library Services;
and

(2) the Institute of Museum Services with re-
gard to functions transferred under subsection (b),
shall be deemed to refer to the Institute of Museum
and Library Services.

(m) ADDITIONAL CONFORMING AMENDMENTS.—

(1) RECOMMENDED LEGISLATION.—After con­
sultation with the appropriate committees of Con­
gress and the Director of the Office of Management
and Budget, the Director of the Institute of Museum
and Library Services shall prepare and submit to the
appropriate committees of Congress recommended
legislation containing technical and conforming
amendments to reflect the changes made by this sec­
tion.

(2) SUBMISSION TO CONGRESS.—Not later than
6 months after the effective date of this section, the
Director of the Institute of Museum and Library
Services shall submit to the appropriate committees
of Congress the recommended legislation referred to
under paragraph (1).

SEC. 4. SERVICE OF INDIVIDUALS SERVING ON DATE OF
ENACTMENT.

Notwithstanding section 204 of the Museum and Li-
brary Services Act, the individual who was appointed to
the position of Director of the Institute of Museum Serv-
ices under section 205 of the Museum Services Act (as
such section was in effect on the day before the date of
enactment of this Act) and who is serving in such position on the day before the date of enactment of this Act shall serve as the first Director of the Institute of Museum and Library Services under section 204 of the Museum and Library Services Act (as added by section ___1 of this Act), and shall serve at the pleasure of the President.

SEC. ___5. CONSIDERATION.

Consistent with title 5, United States Code, in appointing employees of the Office of Library Services, the Director of the Institute of Museum and Library Services shall give strong consideration to individuals with experience in administering State-based and national library and information services programs.

SEC. ___6. REPEALS AND TECHNICAL AND CONFORMING AMENDMENTS.

(a) REPEALS.—

(1) LIBRARY SERVICES AND CONSTRUCTION ACT.—The Library Services and Construction Act (20 U.S.C. 351 et seq.) is repealed.

(2) HIGHER EDUCATION ACT OF 1965.—Title II of the Higher Education Act of 1965 (20 U.S.C. 1021 et seq.) is repealed.

(b) REFERENCES TO LIBRARY SERVICES AND CONSTRUCTION ACT.—
(1) OMNIBUS EDUCATION RECONCILIATION ACT

OF 1981.—Section 528 of the Omnibus Education
Reconciliation Act of 1981 (20 U.S.C. 3489) is
amended—

(A) by striking paragraph (12); and

(B) by redesignating paragraphs (13)
through (15) as paragraphs (12) through (14),
respectively.

(2) ELEMENTARY AND SECONDARY EDUCATION

ACT OF 1965.—Section 3113(10) of the Elementary
and Secondary Education Act of 1965 (20 U.S.C.
6813(10)) is amended by striking “section 3 of the
Library Services and Construction Act” and insert-
ing “section 213(7) of the Library Services and
Technology Act”.

(3) COMMUNITY IMPROVEMENT VOLUNTEER

ACT OF 1994.—Section 7305 of the Community Im-
3) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2)
through (6) as paragraphs (1) through (5), re-
spectively.

(4) APPALACHIAN REGIONAL DEVELOPMENT

ACT OF 1965.—Section 214(c) of the Appalachian
Regional Development Act of 1965 (40 U.S.C. App. 214(c)) is amended by striking “Library Services and Construction Act;”.

(5) DEMONSTRATION CITIES AND METROPOLITAN DEVELOPMENT ACT OF 1966.—Section 208(2) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3338(2)) is amended by striking “title II of the Library Services and Construction Act;”.

(6) PUBLIC LAW 87–688.—Subsection (c) of the first section of the Act entitled “An Act to extend the application of certain laws to American Samoa”, approved September 25, 1962 (48 U.S.C. 1666(c)) is amended by striking “the Library Services Act (70 Stat. 293; 20 U.S.C. 351 et seq.),”.

(c) REFERENCES TO INSTITUTE OF MUSEUM SERVICES.—

(1) TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking the following:

“Director of the Institute of Museum Services.”

and inserting the following:

“Director of the Institute of Museum and Library Services.”.
(2) DEPARTMENT OF EDUCATION ORGANIZATION ACT.—Section 301 of the Department of Education Organization Act (20 U.S.C. 3441) is amended—

(A) in subsection (a)—

(i) by striking paragraph (5); and

(ii) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(B) in subsection (b)—

(i) by striking paragraph (4); and

(ii) by redesignating paragraphs (5) through (7) as paragraphs (4) through (6), respectively.

(3) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(A) Sections 2101(b), 2205(e)(1)(D), 2208(d)(1)(H)(v), and 2209(b)(1)(C)(vi), and subsections (d)(6) and (e)(2) of section 10401 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6621(b), 6645(e)(1)(D), 6648(d)(1)(H)(v), 6649(b)(1)(C)(vi), and 8091 (d)(6) and (e)(2)) are amended by striking “the Institute of Mu-
seum Services” and inserting “the Institute of Museum and Library Services”.

(B) Section 10412(b) of such Act (20 U.S.C. 8102(b)) is amended—

(i) in paragraph (2), by striking “the Chairman of the National Endowment for the Humanities, the Chairman of the National Endowment for the Arts, and the Director of the Institute of Museum Services,” and inserting “the Chairperson of the National Endowment for the Humanities, the Chairperson of the National Endowment for the Arts, and the Director of the Institute of Museum and Library Services,”; and

(ii) in paragraph (7), by striking “the Chairman of the National Endowment for the Humanities, the Chairman of the National Endowment for the Arts and the Director of the Institute of Museum Services,” and inserting “the Chairperson of the National Endowment for the Humanities, the Chairperson of the National Endowment for the Arts, and the Director of the
the Institute of Museum and Library Services,”.

(C) Section 10414(a)(2)(B) of such Act (20 U.S.C. 8104(a)(2)(B)) is amended by striking clause (iii) and inserting the following new clause:

“(iii) the Institute of Museum and Library Services.”.

(d) REFERENCES TO HIGHER EDUCATION ACT OF 1965.—

(1) HIGHER EDUCATION ACT OF 1965.—Paragraph (2) of section 356(b) of the Higher Education Act of 1965 (20 U.S.C. 1069b(b)) is amended by striking “II,”.


(e) REFERENCES TO OFFICE OF LIBRARIES AND LEARNING RESOURCES.—

(1) EDUCATION AMENDMENTS OF 1974.—Section 519 of the Education Amendments of 1974 (20 U.S.C. 1221i) is repealed.

(2) DEPARTMENT OF EDUCATION ORGANIZATION ACT.—Section 413(b)(1) of the Department of
Education Organization Act (20 U.S.C. 3473(b)(1)) is amended—

(A) by striking subparagraph (H); and

(B) by redesignating subparagraphs (I) through (M) as subparagraphs (H) through (L), respectively.

SEC. 7. ARTS AND ARTIFACTS.

The Arts and Artifacts Indemnity Act (20 U.S.C. 971 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the "Arts and Artifacts Indemnity Act'.

"SEC. 2. INDEMNITY FOR EXHIBITIONS OF ARTS AND ARTIFACTS.

The Chairperson of the National Endowment for the Arts (referred to in this title as the "Chairperson") may enter into agreements to indemnify against loss or damage such items as may be eligible for such indemnity agreements under section 3—

"(1) in accordance with the provisions of this Act; and

"(2) on such terms and conditions as the Chairperson shall prescribe, by regulation, in order to achieve the objectives of this Act and, consistent
Education Organization Act (20 U.S.C. 3473(b)(1)) is amended—

(A) by striking subparagraph (H); and

(B) by redesignating subparagraphs (I) through (M) as subparagraphs (H) through (L), respectively.

SEC. 7. ARTS AND ARTIFACTS.

The Arts and Artifacts Indemnity Act (20 U.S.C. 971 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the ‘Arts and Artifacts Indemnity Act’.

"SEC. 2. INDEMNITY FOR EXHIBITIONS OF ARTS AND ARTIFACTS.

"The Chairperson of the National Endowment for the Arts (referred to in this title as the ‘Chairperson’) may enter into agreements to indemnify against loss or damage such items as may be eligible for such indemnity agreements under section 3—

"(1) in accordance with the provisions of this Act; and

"(2) on such terms and conditions as the Chairperson shall prescribe, by regulation, in order to achieve the objectives of this Act and, consistent
with such objectives, to protect the financial interest of the United States.

"SEC. 3. ELIGIBLE ITEMS.

"(a) TYPES OF ITEMS.—The Chairperson may enter into an indemnity agreement under section 2 with respect to items—

"(1) that are—

"(A) works of art, including tapestries, paintings, sculpture, folk art, and graphics and craft arts;

"(B) manuscripts, rare documents, books, or other printed or published materials;

"(C) other artifacts or objects; or

"(D) photographs, motion pictures, or audio and video tape;

"(2) that are of educational, cultural, historical, or scientific value; and

"(3) the exhibition of which is certified (where appropriate) by the Secretary of State or the designee of the Secretary of State as being in the national interest.

"(b) ITEMS ON EXHIBITION.—

"(1) SCOPE.—An indemnity agreement made under this Act shall cover eligible items while on exhibition, generally when the items are part of an ex-
change of exhibitions. An item described in subsection (a) that is part of an exhibition that originates either in the United States or outside the United States and that is touring the United States shall be considered to be an eligible item.

“(2) DEFINITION.—For purposes of this subsection, the term ‘on exhibition’ includes the period of time beginning on the date the eligible items leave the premises of the lender or place designated by the lender and ending on the date such items are returned to the premises of the lender or place designated by the lender.

“SEC. 4. APPLICATIONS.

“(a) IN GENERAL.—Any person, nonprofit agency, institution, or government desiring to enter into an indemnity agreement for eligible items under this Act shall submit an application to the Chairperson at such time, in such manner and in accordance with such procedures, as the Chairperson shall, by regulation, prescribe.

“(b) CONTENTS.—An application submitted under subsection (a) shall—

“(1) describe each item to be covered by the agreement (including an estimated value of such item);
(2) show evidence that the item is an item described in section 3(a); and

(3) set forth policies, procedures, techniques, and methods with respect to preparation for, and conduct of, exhibition of the item, and any transportation related to such item.

(c) APPROVAL.—On receipt of an application under this section, the Chairperson shall review the application as described in section 5 and, if the Chairperson agrees with the estimated value described in the application and if such application conforms with the requirements of this Act, approve the application and enter into an indemnity agreement with the applicant under section 2. On such approval, the agreement shall constitute a contract between the Chairperson and the applicant pledging the full faith and credit of the United States to pay any amount for which the Chairperson becomes liable under such agreement. The Chairperson, for such purpose, is authorized to pledge the full faith and credit of the United States.

SEC. 5. INDEMNITY AGREEMENT.

(a) REVIEW.—On receipt of an application meeting the requirements of subsections (a) and (b) of section 4, the Chairperson shall review the estimated value of the
items for which coverage by an indemnity agreement is sought.

"(b) AGGREGATE AMOUNT OF LOSS OR DAMAGE.—
The aggregate amount of loss or damage covered by indemnity agreements made under this Act shall not exceed $3,000,000,000, at any one time.

"(c) INDIVIDUAL AMOUNT OF LOSS OR DAMAGE.—
No indemnity agreement for a single exhibition shall cover loss or damage in excess of $300,000,000.

"(d) EXTENT OF COVERAGE.—If the estimated value of the items covered by an indemnity agreement for a single exhibition is—

"(1) $2,000,000 or less, then coverage under this Act shall extend only to loss or damage in excess of the first $15,000 of loss or damage to the items covered;

"(2) more than $2,000,000 but less than $10,000,000, then coverage under this Act shall extend only to loss or damage in excess of the first $25,000 of loss or damage to the items covered;

"(3) not less than $10,000,000 but less than $125,000,000, then coverage under this Act shall extend only to loss or damage in excess of the first $50,000 of loss or damage to the items covered;
“(4) not less than $125,000,000 but less than $200,000,000, then coverage under this Act shall extend only to loss or damage in excess of the first $100,000 of loss or damage to the items covered; or

“(5) $200,000,000 or more, then coverage under this Act shall extend only to loss or damage in excess of the first $200,000 of loss or damage to the items covered.

“SEC. 6. REGULATIONS AND CERTIFICATION.

“(a) REGULATIONS.—The Chairperson shall prescribe regulations providing for prompt adjustment of valid claims for loss or damage to items that are covered by an agreement entered into pursuant to section 2, including provision for arbitration of issues relating to the dollar value of damages involving less than total loss or destruction of such covered items.

“(b) CERTIFICATION.—In the case of a claim of loss or damage with respect to an item that is covered by an agreement entered into pursuant to section 2, the Chairperson shall certify the validity of the claim and the amount of the loss to the Speaker of the House of Representatives and the President pro tempore of the Senate.
“SEC. 7. REPORT.

The Chairperson shall prepare, and submit at the end of each fiscal year to the appropriate committees of Congress, a report containing information on—

“(1) all claims paid pursuant to this Act during such year;

“(2) pending claims against the Chairperson under this Act as of the end of such year; and

“(3) the aggregate face value of contracts entered into by the Chairperson that are outstanding at the end of such year.

“SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary—

“(1) to enable the Chairperson to carry out the functions of the Chairperson under this Act; and

“(2) to pay claims certified pursuant to section 6(b).”.