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## Endowment Advisory Panels (1976): Report 04

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94TH CONGRESS  
2D SESSION

# H. R. 12838

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IN THE SENATE OF THE UNITED STATES

APRIL 27, 1976

Read twice and referred to the Committee on Labor and Public Welfare

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## AN ACT

To amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That this Act may be cited as the "Arts, Humanities, and  
4        Cultural Affairs Act of 1976".

### TITLE I—ARTS AND HUMANITIES

#### STATE HUMANITIES COUNCILS

7        SEC. 101. (a) Section 7 of the National Foundation on  
8        the Arts and the Humanities Act of 1965 is amended by  
9        adding at the end thereof the following new subsection:

1       “(f) (1) The Chairman, with the advice of the Na-  
2 tional Council on the Humanities, is authorized to establish  
3 and carry out programs of grants-in-aid in each of the sev-  
4 eral States in order to support not more than 50 per centum  
5 of the cost of existing activities which meet the standards  
6 enumerated in subsection (c), and in order to develop pro-  
7 grams in the humanities in such a manner as will furnish  
8 adequate programs in the humanities in each of the several  
9 States.

10       “(2) In order to receive assistance under this subsec-  
11 tion in any fiscal year, any person or entity desiring to  
12 receive such assistance shall submit an application for such  
13 grants at such time as shall be specified by the Chairman  
14 and accompany such applications with a plan which the  
15 Chairman finds—

16       “(A) provides that funds paid to the grant recip-  
17 ient will be expended solely on programs which carry  
18 out the objectives of subsection (c);

19       “(B) establishes a membership policy which is de-  
20 signed to assure broad public representation with respect  
21 to programs administered by such grant recipient;

22       “(C) provides a nomination process which assures  
23 an opportunity for nomination to membership from var-  
24 ious groups within the State involved;

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

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

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

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

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

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

1 required to make the allotments under the first sentence of  
2 this paragraph—

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

8       “(B) the amount of such excess, if any, which re-  
9 mains after reserving in full for the Chairman the  
10 amount required under subparagraph (A) shall be al-  
11 lotted among the grant recipients which have plans  
12 approved by the Chairman in equal amounts, but in no  
13 event shall any grant recipient be allotted less than  
14 \$200,000.

15       “(4) (A) That part of any allotment made under para-  
16 graph (3) for any fiscal year—

17       “(i) which exceeds \$125,000; but

18       “(ii) which does not exceed 20 per centum of such  
19 allotment,

20 shall be available, at the discretion of the Chairman, to pay  
21 up to 100 per centum of the cost of programs under this  
22 subsection if such programs would otherwise be unavailable  
23 to the residents of the State involved.

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

26       “(5) All amounts allotted or made available under

1 paragraph (3) for a fiscal year which are not granted to  
2 any person or entity during such fiscal year shall be available  
3 to the National Endowment for the Humanities for the pur-  
4 pose of carrying out subsection (c).

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

7 “(A) a grant recipient is not complying substan-  
8 tially with the provisions of this subsection;

9 “(B) a grant recipient is not complying substan-  
10 tially with terms and conditions of its plan approved under  
11 this subsection; or

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

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

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

1 (b) The amendment made by subsection (a) shall be  
2 effective with respect to fiscal year 1977 and succeeding  
3 fiscal years.

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

6 SEC. 102. Section 5 (c) of the National Foundation on  
7 the Arts and the Humanities Act of 1965 is amended by  
8 striking out "in the United States".

9 ALLOTMENTS FOR PROJECTS AND PRODUCTIONS  
10 RELATING TO THE ARTS

11 SEC. 103. Section 5 (g) (4) (A) of the National Founda-  
12 tion on the Arts and the Humanities Act of 1965 is amended  
13 by inserting immediately after "(4) (A)" the following  
14 new sentence: "The amount of each allotment to a State  
15 for any fiscal year under this subsection shall be available  
16 to each State, which has a plan approved by the Chairman  
17 in effect on the first day of such fiscal year, to pay not more  
18 than 50 per centum of the total cost of any project or  
19 production described in paragraph (1).".

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

22 SEC. 104. (a) The first sentence of section 6 (b) of the  
23 National Foundation on the Arts and the Humanities Act  
24 of 1965 is amended by inserting ", by and with the advice  
25 and consent of the Senate," immediately after "President".

1 (b) The first sentence of section 8(b) of the National  
2 Foundation on the Arts and the Humanities Act of 1965 is  
3 amended by inserting “, by and with the advice and consent  
4 of the Senate,” immediately after “President”.

5 PAYMENT OF PERFORMERS AND SUPPORTING

6 PERSONNEL

7 SEC. 105. Section 7 of the National Foundation on the  
8 Arts and the Humanities Act of 1965, as amended by section  
9 101 (a), is further amended by adding at the end thereof the  
10 following new subsection:

11 “(g) It shall be a condition of the receipt of any grant  
12 under this section that the group or individual of exceptional  
13 talent or the State or State agency receiving such grant fur-  
14 nish adequate assurances to the Secretary of Labor that (1)  
15 all professional performers and related or supporting profes-  
16 sional personnel employed on projects or productions which  
17 are financed in whole or in part under this section will be  
18 paid, without subsequent deduction or rebate on any account,  
19 not less than the minimum compensation as determined by  
20 the Secretary of Labor to be the prevailing minimum compen-  
21 sation for persons employed in similar activities; and (2) no  
22 part of any project or production which is financed in whole  
23 or in part under this section will be performed or engaged in  
24 under working conditions which are unsanitary or hazardous  
25 or dangerous to the health and safety of the employees en-



1 gaged in such project or production. Compliance with the  
2 safety and sanitary laws of the State in which the performance  
3 or part thereof is to take place shall be prima facie evidence of  
4 compliance. The Secretary of Labor shall have the authority  
5 to prescribe standards, regulations, and procedures as he may  
6 deem necessary or appropriate to carry out the provisions  
7 of this subsection.”.

8                   AUTHORIZATIONS OF APPROPRIATIONS

9       SEC. 106. (a) (1) (A) Section 11 (a) (1) (A) of the  
10 National Foundation on the Arts and the Humanities Act  
11 of 1965 is amended to read as follows:

12       “SEC. 11. (a) (1) (A) For the purpose of carrying out  
13 section 5, there are authorized to be appropriated \$100,000,-  
14 000 for fiscal year 1977, and \$113,500,000 for fiscal year  
15 1978; and there are so authorized such sums as may be  
16 necessary for the fiscal years 1979 and 1980. Of the sums  
17 so appropriated for any fiscal year, not less than 20 per  
18 centum shall be for carrying out section 5 (g).”.

19       (B) Section 11 (a) (1) (B) of such Act is amended  
20 by striking out all that follows “Humanities” and inserting  
21 in lieu thereof the following: “\$100,000,000 for fiscal year  
22 1977, and \$113,500,000 for fiscal year 1978; and there are  
23 so authorized such sums as may be necessary for the fiscal  
24 years 1979 and 1980. Of the sums so appropriated for any

1 fiscal year, not less than 20 per centum shall be for carrying  
2 out section 7 (f)."

3 (2) Section 11 (a) (2) of such Act is amended (A) by  
4 striking out "July 1, 1976" and inserting in lieu thereof  
5 "October 1, 1980"; and (B) by striking out all that follows  
6 "not exceed" and inserting in lieu thereof "\$20,000,000 for  
7 the fiscal year ending September 30, 1977, \$25,000,000 for  
8 the fiscal year ending September 30, 1978, and such sums as  
9 may be necessary for the fiscal years ending September 30,  
10 1979, and September 30, 1980."

11 (b) The amendments made by subsection (a) shall be  
12 effective with respect to fiscal year 1977 and succeeding fiscal  
13 years.

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

16 SEC. 103. (a) The first sentence of section 6 (b) of the  
17 National Foundation on the Arts and the Humanities Act  
18 of 1965 is amended by inserting ", by and with the advice  
19 and consent of the Senate," immediately after "President".

20 (b) The first sentence of section 8 (b) of the National  
21 Foundation on the Arts and the Humanities Act of 1965 is  
22 amended by inserting ", by and with the advice and consent  
23 of the Senate," immediately after "President".

1 **TITLE II—MUSEUM SERVICES**

2 **SHORT TITLE**

3 (a) SEC. 201. This title may be cited as the "Museum Serv-  
4 ices Act".

5 **PURPOSE**

6 SEC. 202. It is the purpose of this title to encourage  
7 and assist museums in their educational role, in conjunction  
8 with formal systems of elementary, secondary, and post-  
9 secondary education and with programs of nonformal educa-  
10 tion for all age groups; to assist museums in modernizing  
11 their methods and facilities so that they may better be able  
12 to conserve our cultural, historic, and scientific heritage;  
13 and to ease the financial burden borne by museums as a  
14 result of their increasing use by the public.

15 **INSTITUTE OF MUSEUM SERVICES**

16 SEC. 203. There is hereby established, within the De-  
17 partment of Health, Education, and Welfare, an Institute of  
18 Museum Services (hereinafter in this title referred to as the  
19 "Institute"). The Institute shall consist of a National Museum  
20 Services Board (hereinafter in this title referred to as the  
21 "Board") and a Director of the Institute (hereinafter in  
22 this title referred to as the "Director").

23 **NATIONAL MUSEUM SERVICES BOARD**

24 SEC. 204. (a) The Board shall consist of fifteen mem-  
25 bers appointed by the President, by and with the advice and

1 consent of the Senate. The members of the Board shall be  
2 broadly representative of various museums, including  
3 museums relating to science, history, technology, and  
4 art, and including zoos and botanical gardens, of the cura-  
5 torial, educational, and cultural resources of the United  
6 States, and of the general public.

7 (b) The term of office of members of the Board shall  
8 be five years, except that—

9 (1) any such member appointed to fill a vacancy  
10 shall serve only such portion of a term as shall not have  
11 been expired at the time of such appointment; and

12 (2) in the case of initial members, three shall serve  
13 for terms of four years, three shall serve for terms of  
14 three years, three shall serve for terms of two years, and  
15 three shall serve for terms of one year, as designated  
16 by the President at the time of nomination for appoint-  
17 ment.

18 Any member who has been a member of the Board for more  
19 than seven consecutive years shall thereafter be ineligible for  
20 reappointment to the Board during the three-year period  
21 following the expiration of the last such consecutive year.

22 (c) The Chairman of the Board shall be designated by  
23 the President from among the members of the Board. Eight  
24 members of the Board shall constitute a quorum.

1 (d) The Board shall meet at the call of the Chairman,

2 except that—

3 (1) it shall meet not less than four times each year;

4 (2) in cases where the Director determines that a

5 meeting of the Board is necessary, it shall meet when-

6 ever one-third of the total number of members request

7 a meeting in writing, in which event one-half of the total

8 number of members shall constitute a quorum; and

9 (3) whenever one-third of the members request a

10 meeting in writing, it shall meet, in which event one-

11 third of the members shall constitute a quorum.

12 (e) Members of the Board who are not in the regular

13 full-time employ of the United States shall receive, while en-

14 gaged in the business of the Board, compensation for service

15 at a rate to be fixed by the President, except that such rate

16 shall not exceed the rate specified at the time of such service

17 for grade GS-18 set forth in section 5332 of title 5, United

18 States Code, including traveltime, and, while so serving away

19 from their homes or regular places of business, they may be

20 allowed travel expenses, including per diem in lieu of sub-

21 sistence, as authorized by section 5703 of title 5, United

22 States Code, for persons employed in Government service.

23 (f) The Board shall have the responsibility for the gen-

24 eral policies with respect to the powers, duties, and authori-

1 ties vested in the Institute under this title. The Director  
2 shall make available to the Board such information and  
3 assistance as may be necessary to enable the Board to carry  
4 out its functions.

#### 5 DIRECTOR OF THE INSTITUTE

6 SEC. 205. (a) The Director of the Institute shall be  
7 appointed by the President, by and with the advice and con-  
8 sent of the Senate, and shall serve at the pleasure of the  
9 President. The Director shall perform such duties and exer-  
10 cise such powers as the Board may prescribe.

11 (b) There shall be a Deputy Director of the Institute  
12 who shall be appointed by the President and shall serve at  
13 the pleasure of the President. The Deputy Director shall  
14 exercise such powers as the Director may prescribe, and the  
15 Deputy Director shall serve as Director during the absence  
16 or disability of the Director, or in the event of a vacancy in  
17 the office of the Director.

#### 18 ACTIVITIES OF THE INSTITUTE

19 SEC. 206. (a) The Director, subject to the advice of the  
20 Board, is authorized to make grants to museums to increase  
21 and improve museum services, through such activities as—  
22 (1) programs to enable museums to construct or in-  
23 stall displays, interpretations, and exhibitions in order  
24 to improve their services to the public;

1           (2) assisting them in developing and maintaining  
2           professionally-trained or otherwise experienced staff to  
3           meet their needs;

4           (3) assisting them to meet their administrative costs  
5           in preserving and maintaining their collections, exhibit-  
6           ing them to the public, and providing educational pro-  
7           grams to the public through the use of their collections;

8           (4) assisting museums in cooperation with each  
9           other in the development of traveling exhibitions, meet-  
10          ing transportation costs, and identifying and locating  
11          collections available for loan;

12          (5) assisting them in conservation of artifacts and  
13          art objects; and

14          (6) developing and carrying out specialized pro-  
15          grams for specific segments of the public such as pro-  
16          grams for urban neighborhoods, rural areas, Indian  
17          reservations, and penal and other State institutions.

18          (b) Grants under this section may not exceed 75 per  
19          centum of the cost of the program for which the grant is  
20          made.

#### 21                                   CONTRIBUTIONS

22          SEC. 207. The Institute shall have authority to accept  
23          in the name of the United States, grants, gifts, or bequests  
24          of money for immediate disbursement in furtherance of the  
25          functions of the Institute. Such grants, gifts, or bequests, after

1 acceptance by the Institute, shall be paid by the donor or  
2 his representative to the Treasurer of the United States  
3 whose receipt shall be their acquittance. The Treasurer of  
4 the United States shall enter them in a special account to the  
5 credit of the Institute for the purposes of each case specified.

6                   FUNCTIONS OF FEDERAL COUNCIL ON THE  
7                   ARTS AND THE HUMANITIES

8       SEC. 208. Section 9 (c) of the National Foundation on  
9 the Arts and the Humanities Act of 1965 is amended—

10           (1) by redesignating paragraph (2) through para-  
11 graph (4) as paragraph (3) through paragraph (5),  
12 respectively, and by inserting immediately after para-  
13 graph (1) the following new paragraph:

14           “(2) advise and consult with the National Museum  
15 Services Board and with the Director of the Institute  
16 of Museum Services on major problems arising in carry-  
17 ing out the purposes of such Institute;”;

18           (2) in paragraph (3) thereof, as so redesignated  
19 by paragraph (1), by striking out “and” immediately  
20 after “Arts” and inserting in lieu thereof a comma, and  
21 by inserting “and the Institute of Museum Services,”  
22 immediately after “Humanities,”; and

23           (3) in paragraph (4) thereof, as so redesignated  
24 by paragraph (1), by inserting “and the Institute of  
25 Museum Services” immediately after “Foundation”.



## AUTHORIZATIONS OF APPROPRIATIONS

1  
2 SEC. 209. (a) For the purpose of making grants under  
3 section 206 (a), there are hereby authorized to be appro-  
4 priated \$15,000,000 for fiscal year 1977, \$25,000,000 for  
5 fiscal year 1978, and such sums as may be necessary for  
6 fiscal years 1979 and 1980.

7 (b) For the purpose of enabling the Institute to carry  
8 out its functions under this title, during the period beginning  
9 on the date of enactment of this Act and ending October 1,  
10 1978, there is authorized to be appropriated an amount  
11 equal to the amount contributed during such period to the  
12 Institute under section 207.

## DEFINITION

13  
14 SEC. 210. For purposes of this title, the term "museum"  
15 means a public or private nonprofit agency or institution  
16 organized on a permanent basis for essentially educational  
17 or aesthetic purposes, which, utilizing a professional staff,  
18 owns or utilizes tangible objects, cares for them, and exhibits  
19 them to the public on a regular basis.

## TITLE III—CHALLENGE GRANT PROGRAM

## ESTABLISHMENT OF PROGRAM

20  
21  
22 SEC. 301. The National Foundation on the Arts and  
23 the Humanities Act of 1965 is amended by adding at the  
24 end thereof the following new section:

## 1 "CHALLENGE GRANT PROGRAM

2 "SEC. 12. (a) The Chairman of the National Endow-  
3 ment for the Arts and the Chairman of the National Endow-  
4 ment for the Humanities, with the advice of the National  
5 Council on the Arts and the National Council on the Human-  
6 ities, are authorized, in accordance with the provisions of this  
7 section, to establish and carry out a program of contracts  
8 with, or grants-in-aid to, public agencies and private non-  
9 profit organizations for the purpose of—

10 "(1) enabling cultural organizations and institu-  
11 tions to increase the levels of continuing support and  
12 to increase the range of contributors to the program of  
13 such organizations or institutions;

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

17 "(3) enabling cultural organizations and institutions  
18 to increase audience participation in, and appreciation  
19 of, programs sponsored by such organizations and insti-  
20 tutions;

21 "(4) stimulating greater cooperation among cul-  
22 tural organizations and institutions especially designed to  
23 serve better the communities in which such organizations  
24 or institutions are located; and

1           “(5) fostering greater citizen involvement in plan-  
2           ning the cultural development of a community.

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

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

#### 11           AUTHORIZATION OF APPROPRIATIONS

12          SEC. 302. Section 11 (a) of the National Foundation on  
13          the Arts and the Humanities Act of 1965 is amended by  
14          adding at the end thereof the following new paragraph:

15          “(3) (A) There are authorized to be appropriated for  
16          each fiscal year ending before October 1, 1981, to the  
17          National Endowment for the Arts and the National Endow-  
18          ment for the Humanities an amount equal to the total amounts  
19          received by each such Endowment for the purposes set forth  
20          in section 12 (a) pursuant to the authority of section 10 (a)  
21          (2), except that the amount so appropriated to both such  
22          Endowments for any fiscal year shall not exceed the follow-  
23          ing limitations: \$15,000,000 for fiscal year 1977, and \$20,-  
24          000,000 for fiscal year 1978. Such sums as may be necessary

1 are authorized to be appropriated for fiscal years 1979 and  
2 1980.

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

Passed the House of Representatives April 26, 1976.

Attest: EDMUND L. HENSHAW, JR.,

*Clerk.*

94TH CONGRESS  
2D SESSION

**H. R. 12838**

---

**AN ACT**

To amend and extend the National Foundation on the Arts and Humanities Act of 1965, to provide for the improvement of museum services, to establish a challenge grant program, and for other purposes.

---

APRIL 27, 1976

Read twice and referred to the Committee on Labor and Public Welfare