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”.
5 TITLE I—ARTS AND HUMANITIES
6 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:
“(f) (1) The Chairman, with the advice of the National Council on the Humanities, is authorized to establish and carry out programs of grants-in-aid in each of the several States in order to support not more than 50 per centum of the cost of existing activities which meet the standards enumerated in subsection (c), and in order to develop programs in the humanities in such a manner as will furnish adequate programs in the humanities in each of the several States.

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

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

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

“(C) provides a nomination process which assures an opportunity for nomination to membership from various groups within the State involved;
“(D) provides for the rotation of the membership and officers of such grant recipient on a regular basis;

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

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

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

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

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

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

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

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

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

"(ii) which does not exceed 20 per centum of such allotment,

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

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

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

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

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

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

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

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

"(7) The Chairman may not make grants to more
than one person or entity in any State.".
(b) The amendment made by subsection (a) shall be effective with respect to fiscal year 1977 and succeeding fiscal years.

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

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

ALLOTMENTS FOR PROJECTS AND PRODUCTIONS RELATING TO THE ARTS

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

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

SEC. 104. (a) The first sentence of section 6 (b) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting "by and with the advice and consent of the Senate," immediately after "President".
(b) The first sentence of section 8(b) of the National Foundation on the Arts and the Humanities Act of 1965 is amended by inserting "by and with the advice and consent of the Senate," immediately after "President."

PAYMENT OF PERFORMERS AND SUPPORTING PERSONNEL

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

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

AUTHORIZATIONS OF APPROPRIATIONS

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

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

(B) Section 11 (a) (1) (B) of such Act is amended
by striking out all that follows “Humanities” and inserting
in lieu thereof the following: “$100,000,000 for fiscal year
1977, and $113,500,000 for fiscal year 1978; and there are
so authorized such sums as may be necessary for the fiscal
years 1979 and 1980. Of the sums so appropriated for any
fiscal year, not less than 20 per centum shall be for carrying
out section 7 (f).”

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

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

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

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

(b) The first sentence of section 8 (b) of the National
Foundation on the Arts and the Humanities Act of 1965 is
amended by inserting “, by and with the advice and consent
of the Senate,” immediately after “President”.
TITLE II—MUSEUM SERVICES

SHORT TITLE

Sec. 201. This title may be cited as the "Museum Services Act".

PURPOSE

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

INSTITUTE OF MUSEUM SERVICES

Sec. 203. There is hereby established, within the Department of Health, Education, and Welfare, an Institute of Museum Services (hereinafter in this title referred to as the "Institute"). The Institute shall consist of a National Museum Services Board (hereinafter in this title referred to as the "Board") and a Director of the Institute (hereinafter in this title referred to as the "Director").

NATIONAL MUSEUM SERVICES BOARD

Sec. 204. (a) The Board shall consist of fifteen members appointed by the President, by and with the advice and
The consent of the Senate. The members of the Board shall be broadly representative of various museums, including museums relating to science, history, technology, and art, and including zoos and botanical gardens, of the curatorial, educational, and cultural resources of the United States, and of the general public.

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

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

(2) in the case of initial members, three shall serve for terms of four years, three shall serve for terms of three years, three shall serve for terms of two years, and three shall serve for terms of one year, as designated by the President at the time of nomination for appointment.

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

(c) The Chairman of the Board shall be designated by the President from among the members of the Board. Eight members of the Board shall constitute a quorum.
(d) The Board shall meet at the call of the Chairman, except that—

1. (1) it shall meet not less than four times each year;
2. (2) in cases where the Director determines that a meeting of the Board is necessary, it shall meet whenever one-third of the total number of members request a meeting in writing, in which event one-half of the total number of members shall constitute a quorum; and
3. (3) whenever one-third of the members request a meeting in writing, it shall meet, in which event one-third of the members shall constitute a quorum.

(e) Members of the Board who are not in the regular full-time employ of the United States shall receive, while engaged in the business of the Board, compensation for service at a rate to be fixed by the President, except that such rate shall not exceed the rate specified at the time of such service for grade GS–18 set forth in section 5332 of title 5, United States Code, including traveltime, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed in Government service.

(f) The Board shall have the responsibility for the general policies with respect to the powers, duties, and authori-
ties vested in the Institute under this title. The Director shall make available to the Board such information and assistance as may be necessary to enable the Board to carry out its functions.

DIRECTOR OF THE INSTITUTE

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

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

ACTIVITIES OF THE INSTITUTE

Sec. 206. (a) The Director, subject to the advice of the Board, is authorized to make grants to museums to increase and improve museum services, through such activities as—

(1) programs to enable museums to construct or install displays, interpretations, and exhibitions in order to improve their services to the public;
(2) assisting them in developing and maintaining professionally-trained or otherwise experienced staff to meet their needs;

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

(4) assisting museums in cooperation with each other in the development of traveling exhibitions, meeting transportation costs, and identifying and locating collections available for loan;

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

(6) developing and carrying out specialized programs for specific segments of the public such as programs for urban neighborhoods, rural areas, Indian reservations, and penal and other State institutions.

(b) Grants under this section may not exceed 75 percent of the cost of the program for which the grant is made.

CONTRIBUTIONS

Sec. 207. The Institute shall have authority to accept in the name of the United States, grants, gifts, or bequests of money for immediate disbursement in furtherance of the functions of the Institute. Such grants, gifts, or bequests, after
acceptance by the Institute, shall be paid by the donor or his representative to the Treasurer of the United States whose receipt shall be their acquittance. The Treasurer of the United States shall enter them in a special account to the credit of the Institute for the purposes of each case specified.

FUNCTIONS OF FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES

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

(1) by redesignating paragraph (2) through paragraph (4) as paragraph (3) through paragraph (5), respectively, and by inserting immediately after paragraph (1) the following new paragraph:

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

(2) in paragraph (3) thereof, as so redesignated by paragraph (1), by striking out "and" immediately after "Arts" and inserting in lieu thereof a comma, and by inserting "and the Institute of Museum Services," immediately after "Humanities,"; and

(3) in paragraph (4) thereof, as so redesignated by paragraph (1), by inserting "and the Institute of Museum Services" immediately after "Foundation".
AUTHORIZATIONS OF APPROPRIATIONS

Sec. 209. (a) For the purpose of making grants under section 206(a), there are hereby authorized to be appropriated $15,000,000 for fiscal year 1977, $25,000,000 for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980.

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

DEFINITION

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

TITLE III—CHALLENGE GRANT PROGRAM

ESTABLISHMENT OF PROGRAM

Sec. 301. The National Foundation on the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new section:
"CHALLENGE GRANT PROGRAM

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

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

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

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

"(4) stimulating greater cooperation among cultural organizations and institutions especially designed to serve better the communities in which such organizations or institutions are located; and
“(5) fostering greater citizen involvement in planning the cultural development of a community.

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

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

AUTHORIZATION OF APPROPRIATIONS

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

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

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

Passed the House of Representatives April 26, 1976.

Attest: EDMUND L. HENSHAW, JR., Clerk.
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