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**Reauthorization: Williams/Coleman Compromise (October 27, 1990): Report 09**

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Amendment in the Nature of a Substitute
Offered by Mr. Williams of Montana and Mr. Coleman of Missouri
To H.R. 4825, as Reported

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.
2 This Act may be cited as the "Arts, Humanities, and
3 Museums Amendments of 1990".
4 TITLE I--AMENDMENTS TO THE NATIONAL FOUNDATION ON THE ARTS
5 AND HUMANITIES ACT OF 1965
6 SEC. 101. DECLARATION OF FINDINGS AND PURPOSES.
7 Section 2 of the National Foundation on the Arts and the
8 Humanities Act of 1965 (20 U.S.C. 951) is amended to read as
9 follows:
10 "DECLARATION OF FINDINGS AND PURPOSES
11 "SEC. 2. The Congress finds and declares the following:
12 "(1) The arts and the humanities belong to all the
13 people of the United States.
14 "(2) The encouragement and support of national
15 progress and scholarship in the humanities and the arts,
while primarily a matter for private and local
initiative, are also appropriate matters of concern to
the Federal Government.

"(3) An advanced civilization must not limit its
efforts to science and technology alone, but must give
full value and support to the other great branches of
scholarly and cultural activity in order to achieve a
better understanding of the past, a better analysis of
the present, and a better view of the future.

"(4) Democracy demands wisdom and vision in its
citizens. It must therefore foster and support a form of
education, and access to the arts and the humanities,
designed to make people of all backgrounds and wherever
located masters of their technology and not its
unthinking servants.

"(5) It is necessary and appropriate for the Federal
Government to complement, assist, and add to programs for
the advancement of the humanities and the arts by local,
State, regional, and private agencies and their
organizations. In doing so, the Government must be
sensitive to the nature of public sponsorship. Public
funding of the arts and humanities is subject to the
conditions that traditionally govern the use of public
money. Such funding should contribute to public support
and confidence in the use of taxpayer funds. Public funds
provided by the Federal Government must ultimately serve public purposes the Congress defines.

"(6) The arts and the humanities reflect the high place accorded by the American people to the nation's rich cultural heritage and to the fostering of mutual respect for the diverse beliefs and values of all persons and groups.

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

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

"(9) Americans should receive in school, background and preparation in the arts and humanities to enable them to recognize and appreciate the aesthetic dimensions of our lives, the diversity of excellence that comprises our
cultural heritage, and artistic and scholarly expression.

'(10) It is vital to a democracy to honor and
preserve its multicultural artistic heritage as well as
support new ideas, and therefore it is essential to
provide financial assistance to its artists and the
organizations that support their work.

'(11) To fulfill its educational mission, achieve an
orderly continuation of free society, and provide models
of excellence to the American people, the Federal
Government must transmit the achievement and values of
civilization from the past via the present to the future,
and make widely available the greatest achievements of
art.

'(12) In order to implement these findings and
purposes, it is desirable to establish a National
Foundation on the Arts and the Humanities.

SEC. 102. DEFINITIONS.

(a) LOCAL ARTS AGENCY.--Section 3 of the National
Foundation on the Arts and the Humanities Act of 1965 (20
U.S.C. 952) is amended--

(1) in subsection (b) by inserting "all those
traditional arts practiced by the diverse peoples of this
country," after "forms," and

(2) by adding at the end the following:

'(h) The term 'local arts agency' means a community
organization, or an agency of local government, that primarily provides financial support, services, or other programs for a variety of artists and arts organizations, for the benefit of the community as a whole.

"(i) The term 'developing arts organization' means a local arts organization of high artistic promise which--

"(1) serves as an important source of local arts programming in a community; and

"(2) has the potential to develop artistically and institutionally to broaden public access to the arts in rural and innercity areas and other areas that are underserved artistically.''.

(b) TECHNICAL AMENDMENTS.--Section 3 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 952) is amended--

(1) in subsection (b) by inserting "film, video,"

after "radio,",

(2) in subsection (c) by inserting "film, video,"

after "radio,",

and

(3) in subsection (d)--

(A) in the first sentence by inserting "the widest" after "enhance", and

(B) in paragraph (2) by striking "sections 5(1)" and inserting "sections 5(p), 7(c)(10),".

(c) DETERMINED TO BE OBSCENE; FINAL JUDGMENT.--Section 3
of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 952), as amended by subsection (a), is amended by adding at the end the following:

"(j) The term 'determined to be obscene' means determined, in a final judgment of a court of record and of competent jurisdiction in the United States, to be obscene.

"(k) The term 'final judgment' means a judgment that is either--

"(1) not reviewed by any other court that has authority to review such judgment; or

"(2) is not reviewable by any other court.

"(1) The term 'obscene' means with respect to a project, production, workshop, or program that--

"(1) the average person, applying contemporary community standards, would find that such project, production, workshop, or program, when taken as a whole, appeals to the prurient interest;

"(2) such project, production, workshop, or program depicts or describes sexual conduct in a patently offensive way; and

"(3) such project, production, workshop, or program, when taken as a whole, lacks serious literary, artistic, political, or scientific value.''.

SEC. 103. NATIONAL ENDOWMENT FOR THE ARTS.

(a) Authority To Provide Assistance.--Section 5(c) of the
National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(c)) is amended--

(1) by amending paragraph (1) to read as follows:

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

(2) in paragraph (2) by inserting "or tradition" after "authenticity",

(3) in paragraph (5) by inserting "education," after "knowledge,",

(4) in paragraph (7) by striking "and",

(5) by redesignating paragraph (8) as paragraph (10),

(6) by inserting after paragraph (7) the following:

"(8) projects that enhance managerial and organizational skills and capabilities;

"(9) projects, productions, and workshops of the kinds described in paragraphs (1) through (8) through film, radio, video, and similar media, for the purpose of broadening public access to the arts; and",

(7) in the matter following paragraph (10), as so redesignated, by striking "clause (8)" and inserting "paragraph (10)".

(b) ARTISTIC EXCELLENCE AND OBSCENE MATTER.--Section 5(d)
of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(d)) is amended to read as follows:

"(d) No payment shall be made under this section except upon application therefor which is submitted to the National Endowment for the Arts in accordance with regulations issued and procedures established by the Chairperson. In establishing such regulations and procedures, the Chairperson shall ensure that—

(1) artistic excellence and artistic merit are the criteria by which applications are judged, taking into consideration general standards of decency and respect for the diverse beliefs and values of the American public; and

(2) applications are consistent with the purposes of this section. Such regulations and procedures shall clearly indicate that obscenity is without artistic merit, is not protected speech, and shall not be funded. Projects, productions, workshops, and programs that are determined to be obscene are prohibited from receiving financial assistance under this Act from the National Endowment for the Arts.

The disapproval or approval of an application by the Chairperson shall not be construed to mean, and shall not be considered as evidence that, the project, production, workshop, or program for which the applicant requested
financial assistance is obscene.''.

(c) TECHNICAL AMENDMENT.--Section 5(f) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(f)) is amended by striking ''1954'' and inserting ''1986''.

(d) STATE APPLICATIONS FOR ASSISTANCE.--Section 5(g)(2)(E) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(g)(2)(E)) is amended by striking clauses (i) and (ii), and inserting the following:

''(i) a description of the level of participation during the most recent preceding year for which information is available by artists, artists' organizations, and arts organizations in projects and productions for which financial assistance is provided under this subsection;

''(ii) for the most recent preceding year for which information is available, a description of the extent projects and productions receiving financial assistance from the State arts agency are available to all people and communities in the State; and''.

(e) PURPOSES OF PROGRAM PROVIDING ASSISTANCE TO AGENCIES AND ORGANIZATIONS.--Section 5(i)(1) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(1)(1)) is amended--

(1) in subparagraph (E) by striking ''and'' at the
(2) in subparagraph (F) by striking the period at the end and inserting \"; and\'', and
(3) by inserting after subparagraph (F) the following:
\"(G) stimulating artistic activity and awareness which are in keeping with the varied cultural traditions of this nation.\".

(f) **System of National Information and Data Collection.**—Section 5(m) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(m)) is amended—

(1) in the first sentence—
(A) by inserting \"ongoing\'' after \"shall, in\'',
(B) by striking \"develop\'' and inserting \"continue to develop and implement\'', and
(C) by inserting \"and public dissemination\'' after \"collection\'',
(2) by striking the fourth sentence, and
(3) in the last sentence by striking \"1988, and biennially\'' and inserting \"1992, and quadrennially\''.

(g) **Contents of Applications; Installment Payments.**—Section 5 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954) is amended—

(1) by redesignating subsections (i) through (m) as
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subsections (1) through (p), respectively, and

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

"(i) It shall be a condition of the receipt of financial

assistance provided under this section by the Chairperson or

the State agency that the applicant for such assistance

include in its application--

"(1) a detailed description of the proposed project,

production, workshop, or program for which the applicant

requests such assistance;

"(2) a timetable for the completion of such proposed

project, production, workshop, or program;

"(3) an assurance that the applicant will submit--

"(A) interim reports describing the

applicant’s--

"(i) progress in carrying out such project,

production, workshop, or program; and

"(ii) compliance with this Act and the

conditions of receipt of such assistance;

"(B) if such proposed project, production,

workshop, or program will be carried out during a

period exceeding 1 year, an annual report

describing the applicant’s--

"(i) progress in carrying out such project,

production, workshop, or program; and

"(ii) compliance with this Act and the
conditions of receipt of such assistance; and

''(C) not later than 90 days after---

''(i) the end of the period for which the
applicant receives such assistance; or

''(ii) the completion of such project,
production, workshop, or program;

which ever occurs earlier, a final report to the
Chairperson or the State agency (as the case may be)
describing the applicant's compliance with this Act
and the conditions of receipt of such assistance; and

''(4) an assurance that the project, production,
workshop, or program for which assistance is requested
will meet the standards of artistic excellence and
artistic merit required by this Act.

''(j) The Chairperson shall issue regulations to provide
for the distribution of financial assistance to recipients in
installments except in those cases where the Chairperson
determines that installments are not practicable. In
implementing any such installments, the Chairperson shall
ensure that--

''(1) not more than two-thirds of such assistance may
be provided at the time such application is approved; and

''(2) the remainder of such assistance may not be
provided until the Chairperson finds that the recipient
of such assistance is complying substantially with this
section and with the conditions under which such
assistance is provided to such recipient.

"(k) The Inspector General of the Endowment shall
conduct appropriate reviews to ensure that recipients of
financial assistance under this section comply with the
regulations under this Act that apply with respect to such
assistance, including regulations relating to accounting and
financial matters."

(h) LIMITATION ON RECEIPT OF FINANCIAL
ASSISTANCE.--Section 5 of the National Foundation on the Arts
and the Humanities Act of 1965 (20 U.S.C. 954), as amended by
subsection (g), is amended--

(1) by redesignating subsections (l) through (p) as
subsections (m) through (q), respectively, and

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

"(l)(1) If, after reasonable notice and opportunity for
a hearing on the record, the Chairperson determines that a
recipient of financial assistance provided under this section
by the Chairperson or any non-Federal entity, used such
financial assistance for a project, production, workshop, or
program that is determined to be obscene, then the
Chairperson shall require that--

(A) during a period of 3 years, beginning on the
date the Chairperson makes such determination; and

(B) until such recipient repays such assistance (in
such amount, and under such terms and conditions, as the
Chairperson determines to be appropriate) to the
Endowment;
no subsequent financial assistance be provided under this
section to such recipient.
``(2) Financial assistance repaid under this section to
the Endowment shall be deposited in the Treasury of the
United States and credited as miscellaneous receipts.
``(3)(A) This subsection shall not apply with respect to
financial assistance provided before the effective date of
this subsection.
``(B) This subsection shall not apply with respect to a
project, production, workshop, or program after the
expiration of the 7-year period beginning on the latest date
on which financial assistance is provided under this section
for such project, production, workshop, or program.

(i) TECHNICAL AMENDMENTS.--(1) Section 5(m) of the
National Foundation on the Arts and the Humanities Act of
1965 (20 U.S.C. 954(i)), as so redesignated by subsections
(g) and (h), is amended by striking ``subsection (j)'' and
inserting ``subsection (n)''.
(2) Section 11(a) of the National Foundation on the Arts
and the Humanities Act of 1965 (20 U.S.C. 960(a)) is
amended--
(A) in paragraph (3)--
SEC. 104. INNOVATIVE PROGRAMS TO EXPAND PUBLIC ACCESS TO THE ARTS IN RURAL AND INNERCITY AREAS.

Section 5(p) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(1)), as so redesignated and amended by section 103, is amended--

(1) in paragraph (3) by striking ``section 5(c)'' and inserting ``subsection (c)'',

(2) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively,

(3) by inserting after paragraph (1) the following:

``(2)(A) The Chairperson of the National Endowment for the Arts, with the advice of the National Council on the Arts, is authorized in accordance with this subsection, to establish and carry out a program of contracts with, or grants to, States for the purposes of--

(i) raising the artistic capabilities of developing arts organizations by providing for--

(I) artistic and programmatic development to
enhance artistic capabilities, including staff
development; and

(ii) technical assistance to improve managerial
and organizational skills, financial systems
management, and long-range fiscal planning; and

(ii) stimulating artistic activity and awareness
and broadening public access to the arts in rural and
innercity areas and other areas that are underserved
artistically.

(B) For purposes of providing financial assistance
under this paragraph, the Chairperson shall give priority to
the activities described in subparagraph (A)(i).

(C) The Chairperson may not provide financial
assistance under this paragraph to a particular applicant in
more than 3 fiscal years for the purpose specified in
subparagraph (A)(i).

SEC. 105. STRENGTHENING ARTS THROUGH ARTS EDUCATION.
The National Foundation on the Arts and the Humanities
Act of 1965 (20 U.S.C. 951-960) is amended by inserting after
section 5 the following:

``ACCESS TO THE ARTS THROUGH SUPPORT OF EDUCATION

``SEC. 5A. (a) The purposes of this section are--

(l) to increase accessibility to the arts through
providing education to all Americans, including diverse
cultures, urban and rural populations by encouraging and
developing quality education in the arts at all levels,
in conjunction with programs of nonformal education for
all age groups, with formal systems of elementary,
secondary, and postsecondary education;
``(2) to develop and stimulate research to teach
quality education in the arts; and
``(3) to encourage and facilitate the work of
artists, arts institutions, and Federal, State, regional,
and local agencies in the area of education in the arts.
``(b) The Chairperson of the National Endowment for the
Arts, is authorized to establish and carry out a program of
contracts with, or grants to, any State or other public
agency, individual, artist, any nonprofit society, performing
and nonperforming arts and educational institution or
organization, association, or museum in the United States, in
order to foster and encourage exceptional talent, public
knowledge, understanding, and appreciation of the arts, and
to support the education, training, and development of this
Nation's artists, through such activities as projects that
will--
``(1) promote and improve the availability of arts
instruction for American youth and life-long learning in
the arts;
``(2) enhance the quality of arts instruction in
programs of teacher education;
'(3) develop arts faculty resources and talents;
'(4) support and encourage the development of improved curriculum materials in the arts;
'(5) improve evaluation and assessment of education in the arts programs and instruction;
'(6) foster cooperative programs with the Department of Education and encourage partnerships between arts and education agencies at State and local levels, arts organizations, business, colleges and universities;
'(7) support apprenticeships, internships, and other career oriented work-study experiences for artists and arts teachers, and encourage residencies of artists at all educational levels;
'(8) support the use of technology and improved facilities and resources in education in the arts programs at all levels; and
'(9) foster the development of demonstration projects, demonstration productions, demonstration workshops, and demonstration programs in arts education and collect, and make available to the public, information on their implementation and effectiveness.
'(c) In order to provide advice and counsel concerning arts education, the Chairperson shall appoint an advisory council on arts education.',

SEC. 106. NATIONAL COUNCIL FOR THE ARTS.
(a) MEMBERSHIP OF COUNCIL.—Section 6(b) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 955(b)) is amended by adding at the end the following:

"Members of the Council shall be appointed so as to represent equitably all geographical areas in the United States."

(b) MEETINGS AND RECORDS.—Section 6(d) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 955(d)) is amended—

(1) by inserting "(1)" after "(d)"", and

(2) by adding at the end the following:

"All policy meetings of the Council shall be open to the public.

"(2) The Council shall—

(A) create written records summarizing—

(i) all meetings and discussions of the Council; and

(ii) the recommendations made by the Council to the Chairperson; and

(B) make such records available to the public in a manner that protects the privacy of individual applicants, panel members, and Council members."

(c) AUTHORITY OF COUNCIL.—Section 6(f) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 955(f)) is amended—
(1) in the first sentence--
   (A) by striking ``(1)'' and ``(2)'',
   (B) by striking ''thereon'', and
   (C) by inserting before the period the following:
``with respect to the approval of each application and the
amount of financial assistance (if any) to provide to each
applicant'',
(2) in the second sentence by striking ''unless''
and all that follows through ''time'','
(3) in the last sentence--
   (A) by striking ''a delegation'' and inserting
   ''an expressed and direct delegation'', and
   (B) by striking ''; Provided, That'' and
inserting ''; and that such action shall be used with
discretion and shall not become a normal practice of
providing assistance under such subsections, except
that''
(4) by inserting after the second sentence the
following:
``The Chairperson shall have final authority to approve each
application, except that the Chairperson may only provide to
an applicant the amount of financial assistance recommended
by the Council and may not approve an application with
respect to which the Council makes a negative
recommendation.'', and
(5) by inserting after the first sentence the following:

The Council shall make recommendations to the Chairperson concerning--

'(1) whether to approve particular applications for financial assistance under subsections (c) and (p) of section 5 that are determined by panels under section 10(c) to have artistic excellence and artistic merit; and

'(2) the amount of financial assistance the Chairperson should provide with respect to each such application the Council recommends for approval.'

SEC. 107. NATIONAL ENDOWMENT FOR THE HUMANITIES.

(a) TECHNICAL AMENDMENT.—Section 7(a) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(a)) is amended by striking ''a'' and inserting ''the''.

(b) AUTHORITY OF CHAIRPERSON.—Section 7(c) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(c)) is amended—

(1) in the matter preceding paragraph (1) by inserting ''enter into arrangements, including contracts, grants, loans, and other forms of assistance, to'' after ''is authorized to'',

(2) in paragraph (2) by striking ''(including contracts, grants, loans, and other forms of''
(3) in paragraph (3)—
   (A) by striking "award" and all that follows through "Fellowships", and inserting "initiate and support training and workshops in the humanities by making arrangements with institutions or individuals (fellowships", and
   (B) by striking "time;" and inserting "time;",
(4) in paragraph (7) by striking "through grants or other arrangements",
(5) in paragraph (8) by striking "and",
(6) in paragraph (9) by striking the period and inserting "; and", and
(7) by inserting after paragraph (9) the following:
   "(10) foster programs and projects that provide access to, and preserve materials important to research, education, and public understanding of, the humanities."

(c) COORDINATION OF PROGRAMS.—Section 7(d) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(d)) is amended by striking "correlate" and inserting "coordinate".

(d) ADMINISTRATION BY STATE AGENCIES.—

(1) DESIGNATION.—Section 7(f)(2)(A) of the National
Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(f)(2)(A)) is amended by striking "of the enactment of the Arts, Humanities, and Museums Amendments of 1985," and inserting "the State agency is established".


(A) in subclause (I) by striking "previous two years" and inserting "most recent preceding year for which information is available", and

(B) in subclause (II) by inserting "for the most recent preceding year for which information is available," after "(II)".


(A) in clause (i) by striking "previous two years" and inserting "most recent preceding year for which information is available", and

(B) in clause (ii) by inserting "for the most recent preceding year for which information is available," after "(ii)".

(e) Condition of Receipt of Grants.--The last sentence of
section 7(g) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(g)) is amended by striking "not later" and all that follows through "1985".

(f) TECHNICAL AMENDMENT.--The last sentence of section 7(h)(2)(B) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(h)(2)(B)) is amended by striking "Endowment on" and inserting "Endowment for".

(g) SYSTEM OF NATIONAL INFORMATION AND DATA COLLECTION.--Section 7(k) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(k)) is amended--

(1) in the first sentence--

(A) by inserting "ongoing" after "shall, in",

(B) by striking "develop" and inserting "continue to develop and implement", and

(C) by inserting "and public dissemination" after "collection",

(2) by striking the third sentence, and

(3) in the last sentence by striking "1988, and biennially" and inserting "1992, and quadrennially".

(h) RECEIPT OF FINANCIAL ASSISTANCE AND AWARDS.--Section 7 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956) is amended by striking subsection (1) and inserting the following:

``(1) Any group shall be eligible for financial
assistance under this section only if--
``(1) no part of its net earnings inures to the
benefit of any private stockholder or stockholders, or
individual or individuals; and
``(2) donations to such group are allowable as a
charitable contribution under the standards of section
170(c) of the Internal Revenue Code of 1986.''.
``(m) The Chairperson, with the advice of the National
Council on the Humanities, is authorized to make the
following annual awards:
``(1) The Jefferson Lecture in the Humanities Award
to one individual for distinguished intellectual
achievement in the humanities. The annual award shall not
exceed $10,000.
``(2) The Charles Frankel Prize to honor individuals
who have made outstanding contributions to the public
understanding of the humanities. Not more than 5
individuals may receive such prize each year. Each prize
shall not exceed $5,000.''.

SEC. 108. FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES.

(a) DIALOGUE AMONG FEDERAL AGENCIES.--Section 9(c) of the
National Foundation on the Arts and the Humanities Act of
1965 (20 U.S.C. 958(c)) is amended--
(1) in paragraph (5) by striking ``and'' at the end,
(2) in paragraph (6) by striking the period at the
end and inserting ""; and',' and
(3) by adding at the end the following:
``(7) encourage an ongoing dialogue in support of the
arts and the humanities among Federal agencies.''.
(b) TECHNICAL AMENDMENT.--Section 9 of the National
Foundation on the Arts and the Humanities Act of 1965 (20
U.S.C. 958) is amended by striking subsection (d),
SEC. 109. REVIEW PANELS; TECHNICAL AMENDMENTS.
Section 10 of the National Foundation on the Arts and the
Humanities Act of 1965 (20 U.S.C. 959) is amended--
(1) in subsection (a)--
(A) in paragraph (4) by striking ""from time to
time, as appropriate,'', and
(B) in paragraph (6) by striking ""the provisions
of section 3648 of the Revised Statutes (31 U.S.C.
529)'' and inserting ""section 3324 of title 31,
United States Code'',
(2) in subsection (d)(3) by striking ""the last
sentence of subsection (a)'' and inserting ""subsection
(c)(3)(A)'',
(3) by striking subsections (e) and (f),
(4) by redesignating subsections (b), (c), and (d) as
subsections (d), (e), and (f), respectively,
(5) in the second sentence--
(A) by striking ""In any case'' and inserting the
In any case by striking "(A)" and (C) by striking "(B)"

(6) in the third sentence by striking "In any case"
and inserting the following:
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"(2) In any case",
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(7) in the fourth sentence by striking "For the purposes" and inserting the following:
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"(3) For the purposes",
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(8) in the fifth sentence by striking "For the purpose" and inserting the following:
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"(4) For the purpose",
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(9) by striking the sixth sentence and all that follows through "pending.", and inserting the following:
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"(c) The Chairperson of the National Endowment for the Arts shall utilize advisory panels to review applications, and to make recommendations to the National Council on the Arts in all cases except cases in which the Chairperson exercises authority delegated under section 6(f). When reviewing applications, such panels shall recommend applications for projects, productions, and workshops solely on the basis of artistic excellence and artistic merit. The Chairperson shall issue regulations and establish
1 procedures--
2 `(1) to ensure that all panels are composed, to the extent practicable, of individuals reflecting a wide geographic, ethnic, and minority representation as well as individuals reflecting diverse artistic and cultural points of view;
3 `(2) to ensure that all panels include representation of lay individuals who are knowledgeable about the arts but who are not engaged in the arts as a profession and are not members of either artists' organizations or arts organizations;
4 `(3) to ensure that, when feasible, the procedures used by panels to carry out their responsibilities are standardized;
5 `(4) to require panels--
6 `(A) to create written records summarizing--
7 `(i) all meetings and discussions of such panel; and
8 `(ii) the recommendations made by such panel to the Council; and
9 `(B) to make such records available to the public in a manner that protects the privacy of individual applicants and panel members;
10 `(5) to require, when necessary and feasible, the use of site visitations to view the work of the applicant
and deliver a written report on the work being reviewed, in order to assist panelists in making their recommendations; and

¨(6) to require that the membership of each panel change substantially from year to year and to provide that each individual is ineligible to serve on a panel for more than 3 consecutive years.

In making appointments to panels, the Chairperson shall ensure that an individual who has a pending application for financial assistance under this Act, or who is an employee or agent of an organization with a pending application, does not serve as a member of any panel before which such application is pending. The prohibition described in the preceding sentence shall commence with respect to such individual beginning on the date such application is submitted and shall continue for so long as such application is pending.

SEC. 110. AUTHORIZATION OF APPROPRIATIONS.

(a) Authorizations for the National Endowment for the Arts.--Section 11(a)(1)(A) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)(1)(A)) is amended--

(1) by inserting ¨(i)¨ after ¨SEC. 11(a)(1)(A)¨,
(2) in the first sentence by striking ¨$121,678,000¨ and all that follows through ¨1990¨,
and inserting: ¨$125,800,000 for fiscal year 1991 and
such sums as may be necessary for fiscal years 1992 and 1993,\
(3) by striking the last sentence, and
(4) by adding at the end the following:
``(ii) For fiscal years--
``(I) 1991 and 1992 not less than 25 percent of the amount appropriated for the respective fiscal year; and
``(II) 1993 not less than 27.5 percent of the amount appropriated for such fiscal year;
shall be for carrying out section 5(g).
``(iii) For fiscal years--
``(I) 1991 and 1992 not less than 5 percent of the amount appropriated for the respective fiscal year; and
``(II) 1993 not less than 7.5 percent of the amount appropriated for such fiscal year;
shall be for carrying out programs under section 5(p)(2) (relating to programs to expand public access to the arts in rural and innercity areas). Not less than 50 percent of the funds required by this clause to be used for carrying out such programs shall be used for carrying out such programs in rural areas.``
(b) GENERAL AUTHORIZATIONS FOR THE NATIONAL ENDOWMENT FOR THE HUMANITIES.--The first sentence of section 11(a)(1)(B) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)(1)(B)) is amended by striking
$95,207,000 and all that follows through "1990;", and
inserting "$119,900,000 for fiscal year 1991 and such sums
as may be necessary for fiscal years 1992 and 1993;".

(c) TECHNICAL AMENDMENT.--Section 11(a)(1) National
Foundation on the Arts and the Humanities Act of 1965 (20
U.S.C. 960(a)(1)) is amended by striking subparagraph (C).

(d) INCENTIVE AUTHORIZATIONS FOR THE ENDOWMENTS.--(1)
Section 11(a)(2)(A) of the National Foundation on the Arts
and the Humanities Act of 1965 (20 U.S.C. 960(a)(2)(A)) is
amended--

(A) by striking "1990" the first place is appears
and inserting "1993;",

(B) in clause (ii) by striking "paragraph (8)" and
inserting "paragraph (10)"; and

(C) by striking "$8,820,000" and all that follows
through "1990", and inserting "$13,000,000 for fiscal
year 1991 and such sums as may be necessary for fiscal
years 1992 and 1993;".

(2) Section 11(a)(2)(B) of the National Foundation on the
is amended--

(A) by striking "1990" the first place is appears
and inserting "1993;",

(B) by striking "(9)" and inserting "(10)"; and

(C) by striking "$10,780,000" and all that follows
through "1990," and inserting "$12,000,000 for fiscal
year 1991 and such sums as may be necessary for fiscal
years 1992 and 1993.".
(3) Section 11(a)(3)(A) of the National Foundation on the
is amended--
(A) by striking "1990" the first place is appears
and inserting "1993," and
(B) by striking "$20,580,000" and all that follows
through "1990," and inserting "$15,000,000 for fiscal
year 1991 and such sums as may be necessary for fiscal
years 1992 and 1993.".
(4) Section 11(a)(3)(B) of the National Foundation on the
is amended--
(A) by striking "1990" the first place is appears
and inserting "1993," and
(B) by striking "$19,600,000" and all that follows
through "1990," and inserting "$15,150,000 for fiscal
year 1991 and such sums as may be necessary for fiscal
year 1992 and 1993.".
(e) AUTHORITY TO TRANSFER FUNDS.--Section 11(a)(3) of the
National Foundation on the Arts and the Humanities Act of
1965 (20 U.S.C. 960(a)(3)) is amended--
(l) by striking subparagraph (C), and
(2) by redesignating subparagraph (D) as subparagraph (C).

(f) Administration; Official Reception and Representation

EXPENSES.--(1) Section 11(c)(1) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(c)(1)) is amended--

(A) by striking "$15,982,000" and all that follows through "1990", and inserting "$21,200,000" for fiscal year 1991 and such sums as may be necessary for fiscal years 1992 and 1993", and

(B) by striking "$35,000" each place it appears and inserting "$50,000".

(2) Section 11(c)(2) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(c)(2)) is amended--

(A) by striking "$14,291,000" and all that follows through "1990", and inserting "$17,950,000" for fiscal year 1991 and such sums as may be necessary for fiscal years 1992 and 1993", and

(B) by striking "$35,000" each place it appears and inserting "$50,000".

(g) Arts Education.--Section 11 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960) is amended by adding at the end the following:

"(f)(1) Subject to subparagraph (2), in any fiscal year
in which the aggregate amount appropriated to the National
Endowment for the Arts exceeds $175,000,000, 50 percent of
such excess shall be available to carry out section 5A; and
``(2) In each fiscal year, the amount made available to
carry out section 5A shall not exceed $40,000,000, in the
aggregate.
``(3) Funds made available to carry out section 5A shall
remain available until expended.''.

SEC. 111. GAO STUDY REGARDING FEDERAL, STATE, AND LOCAL
FUNDING OF THE ARTS.

(a) Study Required.--The Comptroller General of the United
States shall conduct a study--

(1) to evaluate the roles and responsibilities of the
National Endowment for the Arts, the States (including
State agencies), and local arts agencies, in providing
financial assistance under section 5 of the National
Foundation on the Arts and the Humanities Act of 1965 (20
U.S.C.954),

(2) the relative effectiveness of the Endowment, the
States (including State agencies), and local arts
agencies in maximizing the amount of financial assistance
they make available under such section, and

(3) the existing capacity of the States to receive
increased allocations under section 5 of such Act and the
ability of the States to manage such increased
allocations effectively.

(b) REPORT REQUIRED.--Not later than October 1, 1992, the Comptroller General shall submit, to the Speaker of the House of Representatives and the President pro tempore of the Senate, a report summarizing the results of the study conducted under subsection (a).

SEC. 112. GAO STUDY, FINDINGS, AND RECOMMENDATIONS REGARDING STAFFING AND CONTRACTORS OF THE NEA.

(a) STUDY REQUIRED.--The Comptroller General of the United States shall conduct a study of--

(1) the program staffing policies and practices of,
(2) the use of consultants by, and
(3) the use of independent contractors as administrative staff of,
the National Endowment for the Arts.

(b) REPORT REQUIRED.--Not later than 180 days after the date of the enactment of this Act, the Comptroller General shall submit to the Speaker of the House of Representatives and the President pro tempore of the Senate a report containing--

(1) the results of the study conducted under subsection (a), and
(2) findings and recommendations with respect to the matters specified in paragraphs (1), (2), and (3) of such subsection.
TITLE II--AMENDMENTS TO THE MUSEUM SERVICES ACT

SEC. 201. NATIONAL MUSEUM SERVICES BOARD.

(a) MEMBERSHIP.--Section 204(a)(1)(A) of the Museum Services Act (20 U.S.C. 963(a)(1)(A)) is amended by inserting "conservation," after "curatorial,"

(b) MEETINGS.--Section 204(d)(1) of the Museum Services Act (20 U.S.C. 963(d)(1)) is amended by striking "four" and inserting "three".

SEC. 202. DIRECTOR.

(a) COMPENSATION.--(1) Section 205(a)(1) of the Museum Services Act (20 U.S.C. 964(a)(1)) is amended by striking "be compensated at the rate provided for level V of the Executive Schedule (section 5316 of title 5), and shall"

(2) Section 5315 of title 5, United States Code, is amended by adding at the end the following new item:

"Director of the Institute of Museum Services."

(b) TECHNICAL AMENDMENT.--Section 205(a)(2) of the Museum Services Act (20 U.S.C. 964) is amended by striking "Chairperson's" and inserting "Director's".

SEC. 203. ACTIVITIES.

(a) CONSERVATION.--Section 206(a)(5) of the Museum Services Act (20 U.S.C. 965(a)(5)) is amended by striking "artifacts and art objects" and inserting "their collections".

(b) AUTHORITY OF DIRECTOR.--Section 206(b) of the Museum
Services Act (20 U.S.C. 965(b)) is amended--

(1) in paragraph (1)--

(A) by striking "with professional museum organizations'',

(B) by striking "to such organizations'', and

(C) by striking "enable such organizations to'',

(2) in paragraph (2)--

(A) by striking subparagraph (A), and

(B) in subparagraph (B)--

(i) by striking "(B)'',

(ii) by striking "the'', and

(iii) by striking "of any professional museum organization'',

(3) in paragraph (3) by striking "to professional museum organizations'', and,

(4) by striking paragraph (4).

SEC. 204. AUTHORIZATION OF APPROPRIATIONS.

(a) GENERAL AUTHORIZATION OF APPROPRIATIONS.--Section 209(a) of the Museum Services Act (20 U.S.C. 967(a)) is amended by striking "$21,600,000'' and all that follows through "1990'', and inserting "$24,000,000 for fiscal year 1991 and such sums as may be necessary for fiscal years 1992 and 1993''.

(b) INCENTIVE AUTHORIZATION OF APPROPRIATIONS.--Section 209(d) of the Museum Services Act (20 U.S.C. 967(d)) is
amended--

(1) by striking "during the period" and all that follows through "1990,",

(2) by inserting "for each fiscal year ending before October 1, 1993," after "appropriated", and

(3) by striking "such period" and inserting "such fiscal year".

SEC. 205. ASSESSMENT OF CERTAIN MUSEUMS.

The Museum Services Act (20 U.S.C. 961-968) is amended by adding at the end the following:

``ASSESSMENT OF CERTAIN MUSEUMS

SEC. 211. The Director, subject to the policy direction of the Board and in consultation with appropriate representatives of the museum and cultural communities shall undertake an assessment of the needs of small, emerging, minority, and rural museums. The assessment, to be completed and presented to Congress within two years of enactment, shall include but not necessarily be limited to, the following subjects:

(1) The need for resources to identify, collect, document, research, preserve and interpret tangible and nontangible collections and to communicate with and involve their own communities and the general public.

(2) The personnel staffing and training needs for small, emerging, minority, and rural museums, including
needs for professional positions and for the community persons employed or utilized by museums who are expert in the history, culture, customs, and other human resources of the communities.

`(3) The building and construction needs, including impediments to accessing Federal and non-Federal funds for this purpose.

`(4) The maintenance, operation and repair needs, including impediments to accessing Federal and non-Federal funds for these purposes.

`(5) The status of the museums' current collections and the museums' interest in accessing, through gift, purchase, repatriation or borrowing, objects now held privately or in public collections.

`(b) As used in this subsection--

`(1) the term "small, emerging, minority, and rural museums includes tribal museums and museums of other ethnic and cultural groups; and

`(2) the term "Indian tribe" has the meaning given in the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(b)).".

(b) AUTHORIZATION OF APPROPRIATIONS.--Section 209 of the Museum Services Act (20 U.S.C. 967) is amended by adding at the end the following:

`(e)(1) Subject to paragraph (2), there are authorized
to be appropriated $1,000,000 for each of two fiscal years to
carry out section 211.

`(2) Paragraph (1) shall not be effective for any fiscal
year for which the amount appropriated under subsection (a)
is less than $24,000,000.''.

TITLE III--AMENDMENTS TO THE ARTS AND ARTIFACTS INDEMNITY ACT
SEC. 301. INDEMNITY AGREEMENTS.

(a) LIMITATION APPLICABLE TO AGGREGATE LOSS.--Section
5(b) of the Arts and Artifacts Indemnity Act (20 U.S.C.
974(b)) is amended by striking `$1,200,000,000' and
inserting `$3,000,000,000'.''.

(b) LIMITATION APPLICABLE TO SINGLE EXHIBIT.--(1) Section
5(c) of the Art and Artifacts Indemnity Act (20 U.S.C.
974(c)) is amended by striking `$125,000,000' and inserting
`$300,000,000'.''.

(2) Section 5(d) of the Act (20 U.S.C. 974(d)) is
amended--

(A) in paragraph (2) by striking `or' at the end,
(B) by amending paragraph (3) to read as follows:

`not less than $10,000,000 but less than
$125,000,000, then coverage under this Act shall extend
to loss or damage in excess of the first $50,000 of loss
or damage to items covered;', and

(C) by adding at the end the following:

`not less than $125,000,000 but less than
$200,000,000, then coverage under this Act shall extend
to loss or damage in excess of the first $100,000 of loss
or damage to items covered; or
`(5) $200,000,000 or more, then coverage under the
Act shall extend only to loss or damage in excess of the
first $200,000 of loss or damage to items covered.'

TITLE IV---EFFECTIVE DATES

SEC. 401. EFFECTIVE DATES.

(a) GENERAL EFFECTIVE DATE.--Except as provided in
subsection (b), this Act and the amendments made by this Act
shall take effect on October 1, 1990.

(b) SPECIAL EFFECTIVE DATE.--The amendments made by
sections 110, 204, and 301 shall take effect on the date of
the enactment of this Act or October 1, 1990, whichever is
earlier.