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1 of a State agency (hereafter in this section referred to
2 as the State agency) as the sole agency for the adminis-
3 tration of the State plan;

4 “(B) provides that funds paid to the State under
5 this subsection will be expended solely on programs ap-
6 proved by the State agency which carry out one or
7 more of the objectives of subsection (c); and

8 “(C) provides that the State agency will make such
9 reports, in such form, and containing such information,
10 as the Chairman may, from time to time, require.

11 “(3) Of the sums available to carry out this subsection
12 for any fiscal year, each State which has a plan approved
13 by the Chairman shall be allotted at least \$100,000. If the
14 sums appropriated are insufficient to make the allotments
15 under the preceding sentence in full, such sums shall be
16 allotted among such States in equal amounts. In any case
17 where the sums available to carry out this subsection for any
18 fiscal year are in excess of the amount required to make the
19 allotments under the first sentence of this paragraph—

20 “(A) the amount of such excess which is no greater
21 than 25 per centum of the sums available to carry out
22 this subsection for any fiscal year shall be available to
23 the Chairman for making grants under this subsection to
24 States and regional groups; and

25 “(B) the amount of such excess, if any, which re-

1 remains after reserving in full for the Chairman the
2 amount required under clause (A) shall be allotted
3 among the States which have plans approved by the
4 Chairman in equal amounts, but in no event shall any
5 State be allotted less than \$100,000.

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

8 “(i) which exceeds \$62,500, but

9 “(ii) which does not exceed 20 per centum of such
10 allotment,

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

15 “(B) Any amount allotted to a State under the first
16 sentence of paragraph (3) for any fiscal year which is not
17 obligated by the State prior to sixty days prior to the end of
18 the fiscal year for which such sums are appropriated shall
19 be available to the Chairman for making grants to regional
20 groups.

21 “(C) Funds made available under this subsection shall
22 not be used to supplant non-Federal funds.

23 “(D) For the purposes of paragraph (3) and this
24 paragraph, the term ‘regional group’ means any multi-State
25 group, whether or not representative of contiguous States.

1 “(5) All amounts allotted or made available under
2 paragraph (3) for a fiscal year which are not granted to a
3 State during such year shall be available to the National En-
4 dowment for the Humanities for the purpose of carrying
5 out section 5 (c) .

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

8 “(A) a group is not complying substantially with
9 the provisions of this section ;

10 “(B) a State agency is not complying substantially
11 with terms and conditions of its State plan approved un-
12 der this section ; or

13 “(C) any funds granted to ag roup or State agency
14 under this section have been diverted from the purposes
15 for which they are allotted or paid,

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

25 (b) The amendment made by subsection (a) shall be

1 effective with respect to fiscal year 1976 and succeeding
2 fiscal years.

3 **AUTHORIZATIONS OF APPROPRIATIONS**

4 **SEC. 103. (a) (1) (A)** Section 11 (a) (1) (A) of the
5 National Foundation on the Arts and the Humanities Act
6 of 1965 is amended to read as follows:

7 "SEC. 11. (a) (1) (A) For the purpose of carrying out
8 section 5, there are authorized to be appropriated \$113,-
9 500,000 each for the fiscal years 1977 and 1978; and there
10 are so authorized such sums as may be necessary for the
11 fiscal years 1979, and 1980. Of the sums so appropriated
12 for any fiscal year—

13 " (i) not less than 20 per centum shall be for car-
14 rying out section 5 (g) ; and

15 " (ii) 4 per centum shall be for carrying out sec-
16 tion 5 (l) .".

17 (B) Section 11 (a) (1) (B) of such Act is amended
18 by striking out all that follows "Humanities" and inserting
19 in lieu thereof the following: "\$113,500,000 each for fiscal
20 years 1977 and 1978; and there are so authorized such sums
21 as may be necessary for the fiscal years 1979 and 1980.
22 Of the sums so appropriated for any fiscal year, not less than
23 10 per centum shall be for carrying out section 7 (f) .".

24 (2) Section 11 (a) (2) of such Act is amended (A) by
25 striking out "July 1, 1976" and inserting in lieu thereof

1 "October 1, 1980" and (B) by striking out all that follows
2 "not exceed" and inserting in lieu thereof "\$25,000,000".

3 (b) The amendments made by subsection (a) shall be
4 effective on and after the last day of fiscal year 1976.

5 TITLE II—MUSEUM SERVICES AND EXHIBITIONS

6 PART A—SERVICES

7 SHORT TITLE

8 SEC. 201. This part may be cited as the "Museum Serv-
9 ices Act".

10 PURPOSE

11 SEC. 202. It is the purpose of this part to encourage and
12 assist museums in their educational role, in conjunction with
13 formal systems of elementary, secondary, and postsecondary
14 education and with programs of nonformal education for all
15 age groups; to assist museums in modernizing their methods
16 and facilities so that they may better be able to conserve our
17 cultural, historic, and scientific heritage; and to ease the
18 financial burden borne by museums as a result of their in-
19 creasing use by the public.

20 INSTITUTE FOR THE IMPROVEMENT OF MUSEUM SERVICES

21 SEC. 203. There is hereby established, within the Depart-
22 ment of Health, Education, and Welfare, an Institute for the
23 Improvement of Museum Services (hereinafter referred to as
24 the "Institute"). The Institute shall consist of a National
25 Museum Services Board (hereinafter referred to as the

1 "Board") and a Director of the Institute (hereinafter re-
2 ferred to as the "Director").

3 NATIONAL MUSEUM SERVICES BOARD

4 SEC. 204. (a) The Board shall consist of fifteen mem-
5 bers appointed by the President, by and with the advice and
6 consent of the Senate, and the following ex officio members:

- 7 (1) the Director;
- 8 (2) the Librarian of Congress;
- 9 (3) the Archivist of the United States;
- 10 (4) the Commissioner of Education;
- 11 (5) the Secretary of the Smithsonian Institution;
- 12 (6) the Director of the National Gallery of Art;
- 13 (7) the Chairman of the National Endowment for
14 the Arts; and
- 15 (8) the Chairman of the National Endowment for
16 the Humanities.

17 The appointed members of the Board shall be broadly rep-
18 resentative of the curatorial, education, and cultural resources
19 of the United States and of the general public.

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

- 22 (1) any such member appointed to fill a vacancy
23 shall serve only such portion of a term as shall not have
24 been expired at the time of such appointment; and
- 25 (2) in the case of initial members, three shall serve

1 for terms of four years, three shall serve terms of three
2 years, three shall serve terms of two years, and three
3 shall serve terms of one year.

4 Any appointed member who has been a member of the Board
5 for more than seven consecutive years shall thereafter be
6 ineligible for reappointment to the Board during the three-
7 year period following the expiration of the last such consecu-
8 tive year.

9 (c) The Chairman of the Board shall be designated by
10 the President from among the appointed members of the
11 Board. Eight appointed members of the Board shall consti-
12 tute a quorum.

13 (d) The Board shall meet at the call of the Chairman,
14 except that—

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

16 (2) in cases where the Director determines that a
17 meeting of the Board is necessary, it shall meet when-
18 ever one-third of the total number of members request
19 a meeting in writing, in which event one-half of the total
20 number of members shall constitute a quorum; and

21 (3) whenever one-third of the appointed members
22 request a meeting in writing, it shall meet, in which
23 event one-third of the appointed members shall consti-
24 tute a quorum.

1 Ex officio members of the Board shall not have a vote on the
2 Board.

3 (e) Members of the Board who are not in the regular
4 full-time employ of the United States shall receive, while en-
5 gaged in the business of the Board, compensation for service
6 at a rate to be fixed by the President, except that such rate
7 shall not exceed the rate specified at the time of such service
8 for grade GS-18 in section 5332 of title 5, United States
9 Code, including traveltime, and, while so serving away from
10 their homes or regular places of business, they may be
11 allowed travel expenses, including per diem in lieu of sub-
12 sistence, as authorized by section 5703 of title 5, United
13 States Code, for persons employed in Government service.

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

20 DIRECTOR OF THE INSTITUTE

21 SEC. 205. (a) The Director of the Institute shall be
22 appointed by the President, by and with the advice and con-
23 sent of the Senate, and shall serve at the pleasure of the
24 President. The Director shall be compensated at the rate pro-
25 vided for level V, United States Code, and shall perform

1 such duties and exercise such powers as the Board may
2 prescribe.

3 (b) There shall be a Deputy Director of the Institute
4 who shall be appointed by the President and shall serve at
5 the pleasure of the President. The Deputy Director shall be
6 compensated at the rate provided for grade 18 of the General
7 Schedule set forth in section 5332 of title 5, United States
8 Code. The Deputy Director shall exercise such powers as
9 the Director may prescribe, and the Deputy Director shall
10 serve as Director during the absence or disability of the
11 Director, or in the event of a vacancy in the Office of Direc-
12 tor. The position created by this paragraph shall be in addi-
13 tion to the number of positions placed in grade 18 of the
14 General Schedule under section 5108 of title 5, United
15 States Code.

16 ACTIVITIES OF THE INSTITUTE

17 SEC. 206. (a) The Director, subject to the manage-
18 ment of the Board, is authorized to make grants to museums
19 to increase and improve museum services, through such
20 activities as—

21 (1) projects to enable museums to construct or
22 install displays, interpretations, and exhibitions in order
23 to improve their services to the public;

24 (2) assisting them in developing and maintaining

1 professionally-trained or otherwise experienced staff to
2 meet their needs;

3 (3) assisting them to meet their administrative
4 costs in preserving and maintaining their collections,
5 exhibiting them to the public, and providing educa-
6 tional programs to the public through the use of their
7 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 res-
17 ervations, 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 in
23 the name of the United States, grants, gifts, or bequests of
24 money for immediate disbursement in furtherance of the func-
25 tions 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
5 the credit of the Institute for the purposes in each case
6 specified.

7 AUTHORIZATION OF APPROPRIATIONS

8 SEC. 208. (a) For the purpose of making grants under
9 section 206 (a), there are hereby authorized to be appro-
10 priated \$25,000,000 for the fiscal year ending June 30,
11 1975, and \$30,000,000 for each of the succeeding fiscal
12 years ending prior to October 1, 1978.

13 (b) For the purpose of enabling the Institute to carry
14 out its functions under this part, during the period beginning
15 on the date of enactment of this Act and ending October 1,
16 1978, there is authorized to be appropriated an amount equal
17 to the amount contributed during such period to the Institute
18 under section 207.

19 DEFINITION

20 SEC. 209. For purposes of this part, the term "museum"
21 means a public or private nonprofit agency or institution
22 organized on a permanent basis for essentially educational or
23 esthetic purposes, which, utilizing a professional staff, owns
24 and utilizes tangible objects, cares for them, and exhibits
25 them to the public on a regular basis.

PART B—EXHIBITIONS

SHORT TITLE

SEC. 221. This part may be cited as the “Arts and Artifacts Indemnity Act”.

SEC. 222. (a) The Federal Council on the Arts and Humanities (hereafter in this part referred to as the “Council”), established under section 9 of the National Foundation on the Arts and the Humanities Act of 1965, is authorized to indemnify against loss or damage such items as may be eligible therefor under this part (as described in section 223)—

(1) in accordance with the provisions of this part;

and

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

(b) For the purposes of this part, the Council shall be an “agency” within the meaning of the appropriate definitions of such term in title 5, United States Code.

ELIGIBLE ITEMS

SEC. 223. (a) The Council may provide indemnification under this part with respect to—

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

1 (2) manuscripts, rare documents, books, and other
2 printed or published materials;

3 (3) other artifacts or objects; and

4 (4) motion pictures or audio and video tape;

5 which are (A) of educational, cultural, historical, or scien-
6 tific value and (B) the exhibition of which is certified by
7 the Secretary of State or his designee as being in the national
8 interest.

9 (b) Items eligible for indemnification under this part
10 shall be covered by an indemnity while on exhibition in the
11 United States. For the purposes of this subsection, the term
12 “on exhibition” includes that period of time which begins at
13 the point when the eligible items leave the premises of the
14 lender or place designated by the lender and ends when such
15 items are returned to the premises of the lender or place
16 designated by the lender.

17 SEC. 224. (a) Any person, nonprofit agency, institu-
18 tion, or government desiring to obtain an indemnity for
19 eligible items under this part shall make application there-
20 for in accordance with such procedures, in such form, and
21 in such manner as the Council shall, by regulation, prescribe.

22 (b) An application under subsection (a) shall—

23 (1) described each item to be covered (including
24 an estimated value thereof) ;

25 (2) show evidence that the items are eligible under
26 subsection 223 (a) ; and

1 (3) set forth policies, procedures, techniques, and
2 methods with respect to preparation for, and conduct
3 of, exhibition of the items, and any transportation re-
4 lated thereto.

5 (c) Upon receipt of an application under this section,
6 the Council shall, if such application conforms with the re-
7 quirements of this part, approve the application; and when
8 so approved, the application shall constitute a contract be-
9 tween the Council and the applicant pledging the full faith
10 and credit of the United States to pay any amount for
11 which the Council becomes liable under such agreement.

12 SEC. 225. (a) Upon receipt of an application meeting
13 the requirements of subsections (a) and (b) of section 224,
14 the Council shall review the estimated value of the items for
15 which the indemnity is sought. If the Council agrees with
16 such estimated value, for the purposes of this part, the Coun-
17 cil shall, after approval of the application as provided in
18 subsection (c) of section 224, issue a certificate evidencing
19 an indemnity as provided in subsection (b).

20 (b) Coverage under this part shall only extend to loss
21 or damage in excess of the first \$25,000 of loss or damage
22 out of a single incident.

23 (c) There shall be no premium rates on any indem-
24 nity issued under this section.

25 SEC. 226. (a) The Council shall issue regulations pro-
26 viding for prompt adjustment of valid claims for losses which

1 are eligible for indemnification under this part, including
2 provision for arbitration of questions of the dollar value of
3 damages involving less than total loss or destruction of cov-
4 ered objects for which a certificate of indemnity has been
5 issued.

6 (b) In the case of a claim of loss with respect to an
7 item which is the subject of a certificate of indemnity under
8 section 225, the Council shall certify the validity of the claim
9 and the amount of the loss to the Speaker of the House of
10 Representatives and the President of the Senate.

11 SEC. 227. There are hereby authorized to be appro-
12 priated such sums as may be necessary (a) to enable the
13 Council to carry out its functions under this part, and (b)
14 to pay claims certified pursuant to subsection 226(b).

15 SEC. 228. The Council shall report annually to the
16 Congress (a) all claims actually paid pursuant to this part
17 during the preceding fiscal year, (b) pending claims against
18 the Council under this part as of the close of that fiscal year,
19 and (c) the aggregate face value of contracts entered into
20 by the Council which are outstanding at the close of that
21 fiscal year.

22 EFFECTIVE DATE

23 SEC. 229. This part shall become effective — days
24 after the enactment of this Act.

94TH CONGRESS
1ST SESSION

H. R. 7782

A BILL

To amend and extend the National Foundation on the Arts and Humanities Act of 1965; to provide for the improvement of museum services, and to provide indemnities for exhibitions of artistic and humanistic endeavors, and for other purposes.

By Mr. BRADEMAS, Mr. BELL, Mr. PERKINS, Mr. MEEDS, Mr. PEYSER, Ms. CHISHOLM, Mr. LEHMAN, Mr. PRESSLER, Mr. CORNELL, Mr. BEARD of Rhode Island, Ms. HECKLER of Massachusetts, Mr. ZEFERETTI, Mr. THOMPSON, Mr. HAWKINS, Mr. FORD of Michigan, Mr. BENITEZ, Mr. SIMON, Mr. DUNCAN of Tennessee, Mr. PATMAN, Mr. KOCH, Mr. GILMAN, Mr. ROSTENKOWSKI, Mr. PRITCHARD, Mr. MOORHEAD of Pennsylvania, and Mr. MELCHER

JUNE 11, 1975

Referred to the Committee on Education and Labor