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MUSEUM SERVICES AMENDMENTS OF 1980

JANUARY 29 (legislative day, JANUARY 3), 1980.—Ordered to be printed

Mr. PELL, from the Committee on Labor and Human Resources, submitted the following

REPORT

[To accompany S. 1429]

The Committee on Labor and Human Resources, to which was referred the bill (S. 1429) having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill as amended do pass.

PRINCIPLE FEATURES OF THE BILL

S. 1429 would:

1. Amend and extend the Museum Services Act for a period of 2 years.
2. Authorize the Institute of Museum Services (hereinafter in this statement referred to as the "Institute.") to establish its own grant review procedures.
3. Allow the funding of professional museum organizations on a limited basis.
4. Permit the Institute to hire a limited number of employees as excepted personnel.

LEGISLATIVE CONSIDERATION

S. 1429 was introduced on June 27, 1979. The Subcommittee on Education, Arts, and Humanities of the Committee on Labor and Human Resources held hearings on S. 1429 on June 28, 1979.

The committee received testimony from officials of the Institute of Museum Services, and representatives from a variety of museum institutions.

HISTORICAL BACKGROUND

The Museum Services Act was title II of the Arts, Humanities, and Cultural Affairs Act of 1976 and was established by Public Law 94-462.

The legislation established in the Department of Health, Education, and Welfare the Institute of Museum Services which is administered by a Director with the advice of the National Museum Services Board. The Director and members of the Board are appointed by the President with the advice and consent of the Senate.

MUSEUM NEEDS

The testimony presented to the committee indicated that the Institute is accomplishing what the enabling legislation intended, although the increasing needs of our nation's museums makes this a difficult task indeed. The committee heard sobering statements about the toll inflation is taking on museum operations. Cutbacks in services to the public, reduced hours and open days, and higher admission charges are some aspects of this larger problem. Operating costs have increased dramatically at the same time that private giving and endowment assets have fallen off.

Douglas Dillon, chairman of the board of trustees of the Metropolitan Museum of Art, testified that "nonprofits are in the worst position because there is no way to raise enough income to meet rising costs. Pay raises alone represent a \$1 million annual increase in the Metropolitan's budget even when kept within the recommended 7 percent." As Mr. Dillon pointed out, "inflation causes museums to pay more for less."

Ironically, the popularity of museums is at an all-time high. Attendance is estimated at close to 500 million persons a year and the services that museums can offer are increasingly in demand. The committee appreciates the fact that larger numbers of Americans at all economic levels are becoming interested in seeing and learning about the works of art, historic objects, and scientific collections in our Nation's museums. A recent survey conducted by the National Center for Education Statistics drew responses from 4,785 museums, of which 4,214 reported operating budgets of \$795 million total. Based on these figures, Lee Kimche, Director of the Institute, estimates that there are approximately 5,500 museums which qualify for Institute support.

The committee believes that the general operating support, (GOS), grants provided by the Institute in its first 2 years of operation, have been a uniquely effective method of maintaining and improving museum services. It is also favorably noted that GOS funds have served to stimulate private contributions to museums rather than replace them. The committee appreciates the fact that funds for general operating expenses are often the most difficult to raise and that they are essential to help meet the ongoing needs of our nation's museums. It is the belief of the committee that the GOS grants should continue to be the major thrust of the Institute's program.

PROFESSIONAL MUSEUM ORGANIZATIONS

In response to testimony presented to the Senate as well as to an informal study by the Subcommittee on Education, Arts, and Humanities, the committee recommends that professional museum organizations be eligible for Institute support under certain limitations. The committee defines a professional museum organization as a "non-profit professional museum-related organization, institution or association which engages in activities designed to advance the well-being of museums and the museum profession."

The committee bill would limit this type of support to specific projects and would not allow funding for the general operating expenses of such organizations. In addition, the legislation would restrict all such support to 1-year periods and not more than 5 percent of the Institute's annual appropriation could be used for such purposes. It is expected that each application for project support would undergo peer review on its merits for its value to the museum profession.

By expanding Institute support to include professional museum organizations, the committee recognizes the important services to the field which these organizations are often better suited to perform than the individual museums. Projects that benefit museums collectively can, in many cases, be more efficiently developed and operated by a professional museum organization. The committee noted that organizations which serve museums have done an excellent job of bringing dollars, resources, and people to museums, particularly to small museums which cannot accomplish these tasks alone.

GRANT REVIEW PROCEDURES

The committee bill authorizes the Institute to establish its own grant review procedures. It recognizes that a different set of criteria may be required to review an application from the museum field than for the average grant made by its parent agency, the Department of Education. The museum applications to the Arts and Humanities Endowments, for example, tend to be judged on a basis of competitive quality. These quality determinations are made by the judgment of peers through the use of the advisory panel system.

The committee believes that museum applicants to the Institute should provide as full and accurate a picture of their needs as possible. In order to judge these applications against the Institute's published criteria, outside peer reviewers, like those used at the Endowments, may be essential. If the Institute staff and the Museum Services Board wish to, they have the committee's approval to develop procedures that they believe will be the most effective and appropriate in reviewing applications. The committee advises, however, that careful consideration be given to the cost of such an undertaking before it is begun.

EXCEPTED PERSONNEL

Because the Office of Personnel Management has no series for museum specialists, the committee bill would authorize the Director of

the Institute to hire a limited number of experts in the museum field as excepted personnel. The committee recognizes that certain specialists may be required from time to time to assist the Director in meeting demands placed on the Institute. Persons hired under this section may not exceed one-fifth of the number of full-time employees of the Institute.

TWO-YEAR REAUTHORIZATION

The committee has recommended a reauthorization period of 2 years. During this period, the Subcommittee on Education, Arts, and Humanities will examine all Federal programs that support museums. One objective will be to determine if there is duplication between programs and another will be to consider the proper location of the Institute of Museum Services. Recent discussion has prompted consideration of several alternative locations, such as the Smithsonian Institution, independent agency parallel to the two Endowments, or the Department of Education, where it currently resides. In the meantime, the relatively young Institute will have time to strengthen its museum support programs and continue to develop into a strong and effective agency.

Although section 413 of the Enabling Act which created the Department of Education provided that the functions of the Institute could be consolidated, altered, or discontinued, it is the sense of the committee that the Institute should retain its identity unless that status is altered by statute.

The committee believes that the authorized amounts in the legislation for fiscal years 1981 and 1982 show some fiscal restraint yet will permit a reasonable growth over the next 2 years. The figures set by the committee are \$21.5 million for fiscal year 1981 and \$28 million for fiscal year 1982.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., January 25, 1980.

HON. HARRISON A. WILLIAMS,
*Chairman, Committee on Labor and Human Resources,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 1429, the Museum Services Amendments of 1980.

Should the committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

Alice M. Rivlin, *Director.*

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

JANUARY 25, 1980.

1. Bill number: S. 1429.
2. Bill title: Museum Services Amendments of 1980.
3. Bill status: Ordered reported from the Senate Labor and Human Resources Committee, December 18, 1979.

4. Bill purpose: The purpose of this bill is to amend and extend for 2 years the authorization for the Museum Services Act. This bill is subject to subsequent appropriation action.

5. Cost estimate:

Authorization level:

Fiscal year:	Millions
1981 -----	\$21.5
1982 -----	28.0
1983 -----	
1984 -----	
1985 -----	

Estimated total outlays:

Fiscal year:	
1981 -----	3.9
1982 -----	18.3
1983 -----	21.7
1984 -----	5.6
1985 -----	

The costs of this bill fall within function 500.

6. Basis for estimates: The costs associated with S. 1429 are the maximum authorization levels stated in the bill for the museum services programs. Estimated total outlays assume full appropriation of authorization levels. The outlays spendout rates are 18 percent in the first year, 62 percent in the second year, and the remainder in the third.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Deborah Kalcevic.

10. Estimate approved by:

C. G. NUCKOLS
(For James L. Blum,
Assistant Director for Budget Analysis).

TABULATION OF VOTES IN COMMITTEE

Pursuant to 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation on rollcall votes in committee.
Motion by Mr. Pell to report S. 1429, as amended. Adopted:

YEAS

Senator Williams
Senator Randolph
Senator Pell
Senator Kennedy
Senator Nelson
Senator Eagleton
Senator Cranston
Senator Riegle
Senator Metzenbaum
Senator Schweiker
Senator Javits
Senator Stafford

REGULATORY IMPACT

In accordance with paragraph V of rule XXIX of the Standing Rules of the Senate, the following statement of the regulatory impact of the bill is made:

S. 1429 extends for 2 years the programs of the Museum Services Institute. The committee anticipates that the regulatory impact of this bill will be minimal. In fact, changes made by the committee bill should substantially reduce cumbersome application and review procedures now imposed on the Institute in its consideration of applications from museums for funds.

The committee bill authorizes the Director of the Institute to establish procedures for reviewing grants contracts, and cooperative agreements. Such procedures shall not be subject to any review outside the Institute. Currently, the Institute must follow mandated procedures inapplicable to the nature of museum grants. Allowing the Institute to establish its own procedures should substantially reduce unnecessary paperwork connected with grant making.

Since the bill does not change the substance of existing programs in ways that have any regulatory impact, the committee does not anticipate that any additional individuals or businesses would be regulated as a result of the bill's enactment. Since most existing program regulations would be altered only slightly by the legislation, there should be minimal impact imposed on individuals, consumers, or businesses affected by the bill.

The committee does not believe that the enactment of S. 1429 will affect the personal privacy of individuals affected by the programs contained in it.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., December 19, 1979.

HON. HARRISON A. WILLIAMS, JR.,
*Chairman, Committee on Labor and Human Resources, U.S. Senate,
Washington, D.C.*

DEAR MR. CHAIRMAN: This responds to your request for a report on S. 1429, a bill to extend the Museum Services Act for 2 years, and for other purposes.

The bill would extend the authorization of appropriations for the Institute of Museum Services for 2 years through fiscal year 1982 and would prohibit the Department from reviewing the Institute's procedures for reviewing grant applications.

On June 29, the Department transmitted to the Congress a draft bill that would have extended the authorization of appropriations for the Institute for 5 years through fiscal year 1985. We recommended a 5-year extension because we believe it to be warranted by the strength of the Institute's program. As the Department explained in its testimony in support of our proposal, we also believe it desirable that the Institute stay in the same reauthorization cycle as the National Endowment for the Arts and National Endowment for the Humanities in order to maximize the coordination of the museum programs of all three agencies. Accordingly, we again urge the Congress to reauthorize the appropriations for the Institute of Museum Services for 5 years through fiscal year 1985.

We are opposed to the provision of the bill that would prohibit the Department from reviewing the Institute's procedures for reviewing grant applications. Such a provision would interfere with the Department's responsibility to ensure the sound management of programs under its responsibility.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

PATRICIA ROBERTS HARRIS.

SECTION-BY-SECTION ANALYSIS

Section 2.—Section 2 of the Museum Services Amendments of 1980 authorizes the Director of the Institute to hire, without regard to Civil is no objection to the presentation of this report from the standpoint of Service restrictions, not to exceed one-fifth of the full-time regular technical or professional employees of the Institute.

Section 3.—Section 3 authorizes the Director, subject to the policy direction of the National Museum Services Board, to enter into cooperative agreements and contracts with professional museum organizations, to provide financial assistance to such organizations to enable them to undertake projects to strengthen museum services. Financial assistance to such organizations may be made for only 1-year periods, and no financial assistance may be made to pay for operational expenses of any professional museum organization. The aggregate amount of financial assistance to such organizations cannot exceed 5 percent of the amount appropriated to the Institute in any fiscal year. The term "professional museum organization" is defined for purposes of the Act.

Section 4.—Section 4 of the act authorizes the Director to establish procedures for reviewing grants, contracts, and cooperative agreements. Such procedures shall not be subject to any review outside of the Institute.

Section 5.—Section 5 of the act authorizes appropriations to the Institute of \$21.5 million for fiscal year 1981 and \$28 million for fiscal year 1982. The authorization of funds to match gifts received by the Institute is also extended through fiscal year 1982.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

SHORT TITLE

SEC. 201. This title may be cited as the ["Museum Services Act"] *Museum Services Amendments of 1979.*

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 be better 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. The Institute shall consist of a National Museum Services Board and a Director of the Institute.

NATIONAL MUSEUM SERVICES BOARD

SEC. 204. (a) (1) The Board shall consist of fifteen members appointed by the President, by and with the advice and consent of the Senate. Such members shall be broadly representative of various museums, including museums relating to science, history, technology, art, zoos, and botanical gardens, of the curatorial, educational, and cultural resources of the United States, and of the general public.

(2) (A) In addition to members appointed by the President under paragraph (1), the following persons shall serve as members of the Board—

- (i) the Chairman of the National Endowment for the Arts;
- (ii) the Chairman of the National Endowment for the Humanities;
- (iii) the Secretary of the Smithsonian Institution.
- (iv) the Director of the National Science Foundation. and
- (v) the Commissioner of Education.

(B) The members of the Board listed in clause (i) through clause (v) of subparagraph (A) shall be nonvoting members.

(b) The term of office of the appointed 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 expired at the time of such appointments; and

(2) in the case of initial members, three shall serve for terms of five years, 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 appointed 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 appointed members of the Board. Eight appointed members of the Board shall constitute a quorum.

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

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

(2) it shall meet whenever one-third of the appointed members request a meeting in writing, in which event eight of the appointed 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 authorities 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.

(g) The Board shall, with the advice of the Director, take steps to assure that the policies and purposes of the Institute are coordinated with other activities of the Federal Government.

DIRECTOR OF THE INSTITUTE

SEC. 205. (a) (1) 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 be compensated at the rate provided for level V of the Executive Schedule (5 U.S.C. 5316), and shall perform such duties and exercise such powers as the Board may prescribe.

(2) The Director shall report to the Secretary of Health, Education, and Welfare with respect to the activities of the Institute. The Director shall not delegate any of his functions to any other officer who is not directly responsible to the Director.

(b) The Director shall advise the Board regarding policies of the Institute to assure coordination of the Institute's activities with other agencies and organizations of the Federal Government having interest in and responsibilities for the improvement of museums. Such Government agencies shall include the National Endowment for the Arts, the National Endowment for the Humanities, the National Science Foundation, appropriate units in the Department of Health, Education, and Welfare, the Library of Congress, and the Smithsonian Institution and related organizations.

(c) *The Director may appoint without regard to the provisions of title 5 of the United States Code governing appointment in the competitive service and may compensate without regard to the provisions of chapter 51 of subchapter III of chapter 53 of such title relating to*

classification and General Schedule pay rates not to exceed one-fifth of the number of full-time regular technical or professional employees of the Instituté. The rate of basic compensation for such employees may not equal or exceed the rate prescribed for GS-16 of the General Schedule under section 5332 of title 5, United States Code.

ACTIVITIES OF THE INSTITUTE

SEC. 206. (a) The Director, subject to the policy direction 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) (1) *The Director, subject to the policy direction of the National Museum Services Board, is authorized to enter into contracts and cooperative agreements with professional museum organizations to provide financial assistance to such organizations in order to enable such organizations to undertake projects designed to strengthen museum services.*

(2) (A) *No financial assistance may be made under this subsection for any project for a period in excess of one year.*

(B) *No financial assistance may be made under this subsection to pay for the operational expenses of any professional museum organization.*

(3) *The aggregate amount of financial assistance made under this subsection to professional museum organizations shall not exceed 5 per centum of the amount appropriated under this Act for that fiscal year.*

(4) *The term "professional museum organization" means a non-profit professional museum-related organization, institution, or association which engages in activities designed to advance the well-being of museums and the museum profession.*

[(b)] (c) *Grants contracts and cooperative agreements under this section for any fiscal year may not exceed 50 per centum of the cost of the program for which the grants or financial assistance is made, except that not more than 20 per centum of the funds available under this*

section for any fiscal year may be available for grants or financial assistance in such fiscal year without regard to such limitation.

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

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 in each case specified.

AUTHORIZATION OF APPROPRIATIONS

SEC. 209. (a) For the purpose of making grants under section 206 (a), there are 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 each of fiscal years 1979 and 1980, \$21,500,000 for fiscal year 1981, and \$28,000,000 for fiscal year 1982."

(b) There are authorized to be appropriated such sums as may be necessary to administer the provisions of this title.

(c) Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation and expenditure until expended.

(d) For the purpose of enabling the Institute to carry out its functions under this title, during the period beginning on the date of the enactment of this Act, and ending October 1, [1980] 1982, there is authorized to be appropriated an amount equal to the amount contributed during such period to the Institute under section 207.

DEFINITIONS

SEC. 210. For the purpose of this title, the term—

(1) "Board" means the National Museum Services Board established under section 203;

(2) "Director" means the Director of the Institute established under section 203;

(3) "Institute" means the Institute of Museum Services established under section 203; and

(4) "museum" means a public or private nonprofit agency or institution organized on a permanent basis for essentially educational or esthetic purposes, which, utilizing a professional staff, owns or utilizes tangible objects, cares for them, and exhibits them to the public on a regular basis.