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Amendment in the Nature of a Substitute
Offered by ____________

Strike out all after the enacting clause and insert in lieu thereof the following:

1 SHORT TITLE
2 SECTION 1. This Act may be cited as the 'Arts and Humanities Act of 1980'.
3
4 TITLE I--AMENDMENTS TO NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES ACT OF 1965
5 DEFINITIONS
6 SEC. 101. (a) Section 3(a) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 952(a)) is amended by striking out ''theory, and practice'' and inserting in lieu thereof ''and theory''.
7 (b) Section 3(d)(1)(B) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 952(d)(1)(B)) is amended by inserting ''or the National Council on the Humanities, as the case may be'' after ''Arts''.
8 (c) Section 3(g) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 952(g)) is amended
by inserting '"the Northern Mariana Islands,"' after
"American Samoa,"'.

NATIONAL ENDOWMENT FOR THE ARTS

SEC. 102. (a) 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 inserting "or loans" after
"grants-in-aid";

(2) in paragraph (1) thereof, by inserting "and
cultural diversity" after "American creativity";

(3) by redesignating paragraph (5) thereof as
paragraph (6) thereof, and by inserting after paragraph
(4) thereof the following new paragraph:

"(5) programs for the arts at the local level;

and"; and

(4) by adding at the end thereof the following new
sentence: "Any loans made by the Chairman under this
subsection shall be made in accordance with terms and
conditions approved by the Secretary of the Treasury."'.

(b)(1) Section 5(g)(2)(A) of the National Foundation on
the Arts and the Humanities Act of 1965 (20 U.S.C.
954(g)(2)(A)) is amended by striking out "", except that"
and all that follows through the end thereof and inserting
in lieu thereof a semicolon.

(2) Section 5(g)(4) of the National Foundation on the
Arts and the Humanities Act of 1965 (20 U.S.C. 954(g)(4)) is amended by adding at the end thereof the following new subparagraph:

''(E) For purposes of paragraph (3)(B), the term 'State' includes, in addition to the several States of the Union, only those special jurisdictions specified in section 3(g) which have a population of 200,000 or more, according to the latest decennial census.''.

(c) Section 5(k) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(k)) is amended by adding at the end thereof the following new sentence:

''The Chairman may enter into interagency agreements to promote or assist with the arts-related activities of other Federal agencies, on a reimbursable or nonreimbursable basis, and may use funds authorized to be appropriated for the purposes of subsection (c) for the costs of such activities.''.

(d) Section 5(1)(1) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(1)(1)) is amended—

(1) by inserting ''on a national, State, or local level,'' after ''private nonprofit organizations'';

(2) by inserting ''strengthening quality by'' after ''for the purpose of''; and

(3) by redesignating subparagraph (D) and
subparagraph (E) as subparagraph (E) and subparagraph (F), respectively, and by inserting after subparagraph (C) the following new subparagraph:

'(D) providing additional support for cooperative efforts undertaken by State arts agencies with local arts groups to promote effective arts activity at the State and local level, including support of professional artists in community-based residencies;'.

(e) Section 5 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954) is amended by striking out subsection (m).

NATIONAL COUNCIL ON THE ARTS
SEC. 103. Section 6(c) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 955(c)) is amended by inserting after the first sentence thereof the following new sentence: 'The terms of office of all Council members shall expire on the 3rd day of September in the year of expiration.'.

NATIONAL ENDOWMENT FOR THE HUMANITIES
SEC. 104. (a)(1) Section 7(f)(2) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(f)(2)) is amended to read as follows:

'(2)(A) Whenever a State desires to designate or to provide for the establishment of a State agency as the sole agency for the administration of the State plan, such State
shall designate the humanities council in existence on the date of the enactment of the Arts and Humanities Act of 1980, as the State agency, and shall match from State funds a sum equal to 50 percent of that portion of Federal financial assistance received by such State under this subsection which is described in the first sentence of paragraph (4) relating to the minimum State grant, or 25 percent of the total amount of Federal financial assistance received by such State under this subsection, whichever is greater, for the fiscal year involved. In any State in which the State selects the option described in this subparagraph, the State shall submit, before the beginning of each fiscal year, an application for grants and accompany such application with a plan which the Chairman finds--

'(i) designates or provides for the establishment of a State agency (hereafter in this section referred to as the 'State agency') as the sole agency for the administration of the State plan;

'(ii) provides that the chief executive of the State will appoint new members to the State humanities council designated under the provisions of this subparagraph, as vacancies occur as a result of the expiration of the terms of members of such council, until the chief executive has appointed all of the members of the council;
(iii) provides, from State funds, an amount equal to 50 percent of that portion of Federal financial assistance received by such State under this subsection which is described in the first sentence of paragraph (4) relating to the minimum State grant, or 25 percent of the total amount of Federal financial assistance received by such State under this subsection, whichever is greater, for the fiscal year involved;

(iv) provides that funds paid to the State under this subsection will be expended solely on programs approved by the State agency which carry out the objectives of subsection (c) and which are designed to bring the humanities to the public;

(v) provides assurances that State funds will be newly appropriated for the purpose of meeting the requirements of this subparagraph; and

(vi) provides that the State agency will make such reports, in such form and containing such information, as the Chairman may require.

(B) In any State in which the chief executive officer of the State fails to submit an application under subparagraph (A), the grant recipient in such State shall--

(i) establish a procedure which assures that four members of the governing body of such grant recipient shall be appointed by an appropriate officer or agency
of such State, except that in no event may the number of
such members exceed 20 percent of the total membership
of such governing body; and
''(ii) provide, from any source, an amount equal to
the amount of Federal financial assistance received by
such grant recipient under this subsection for the
fiscal year involved.''.

(2) Section 7(f)(3) of the National Foundation on the
Arts and the Humanities Act of 1965 (20 U.S.C. 956(f)(3)) is
amended to read as follows:
''(3) Whenever a State selects to receive Federal
financial assistance under this subsection for any fiscal
year under paragraph (2)(B), any appropriate entity desiring
to receive such assistance shall submit an application for
such assistance at such time as shall be specified by the
Chairman. Each such application shall be accompanied by a
plan which the Chairman finds--
''(A) provides assurances that the grant recipient
will comply with the requirements of paragraph (2)(B);
''(B) provides that funds paid to the grant
recipient will be expended solely on programs which
carry out the objectives of subsection (c);
''(C) establishes a membership policy which is
designed to assure broad public representation with
respect to programs administered by such grant.
recipient;

'(D) provides a nomination process which assures opportunities for nomination to membership from various groups within the State involved and from a variety of segments of the population of such State, and including individuals who by reason of their achievement, scholarship, or creativity in the humanities, are especially qualified to serve;

'(E) provides for a membership rotation process which assures the regular rotation of the membership and officers of such grant recipient;

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

'(G) establishes procedures to assure public access to information relating to such activities; and

'(H) provides that such grant recipient will make reports to the Chairman, in such form, at such times, and containing such information, as the Chairman may require.'

(3)(A) The first sentence of section 7(f)(4) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(f)(4)) is amended by inserting ''State and each'' before ''grant recipient''.
(B) The second sentence of section 7(f)(4) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(f)(4)) is amended by inserting "States and" before "grant recipients".

(C) Section 7(f)(4) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(f)(4)) is amended by striking out subparagraph (A) and subparagraph (B) and inserting in lieu thereof the following new subparagraphs:

''(A) 34 percent of the amount of such excess for such fiscal year shall be available to the Chairman for making grants under this subsection to States and regional groups and entities applying for such grants;

''(B) 44 percent of the amount of such excess for such fiscal year shall be allotted in equal amounts among the States and grant recipients which have plans approved by the Chairman; and

''(C) 22 percent of the amount of such excess for such fiscal year shall be allotted among the States and grant recipients which have plans approved by the Chairman in amounts which bear the same ratio to such excess as the population of the State for which the plan is approved (or, in the case of a grant recipient other than a State, the population of the State in which such grant recipient is located) bears to the population of
all the States.''.

(4)(A) Section 7(f)(5)(A) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(f)(5)(A)) is amended by striking out 'Whenever the provisions of paragraph (3)(B) of this subsection apply in any State, that part of any'' and inserting in lieu thereof the following: 'The amount of each allotment to a State for any fiscal year under this subsection shall be available to each State or grant recipient, which has a plan or application approved by the Chairman in effect on the first day of such fiscal year, to pay not more than 50 percent of the total cost of any project or production described in paragraph (1). The amount of any''.

(B) Section 7(f)(5)(B) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(f)(5)(B)) is amended by inserting 'State agency or'' before 'grant recipient''.

(C) Section 7(f)(5) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(f)(5)) is amended by adding at the end thereof the following new subparagraph:

'(E) For purposes of paragraph (4)(B), the term 'State' and the term 'grant recipient' include, in addition to the several States of the Union, only those special jurisdictions specified in section 3(g) which have a
1 population of 200,000 or more, according to the latest
decennial census.''.

(5) Section 7(f)(7) of the National Foundation on the
Arts and the Humanities Act of 1965 (20 U.S.C. 956(f)(7)) is
amended--

(A) in subparagraph (A) thereof, by inserting
''group or'' before ''grant recipient'';

(B) in subparagraph (B) thereof, by inserting
''State agency or'' before ''grant recipient'', and by
striking out ''plan'' and inserting in lieu thereof
''State plan or grant recipient application'';

(C) in subparagraph (C) thereof, by inserting
''group or State agency or'' before ''grant recipient'';

(D) in the matter following subparagraph (C)
thereof, by inserting ''group, State agency, or'' before
''grant recipient'' each place it appears.

(6) Section 7(f)(8) of the National Foundation on the
Arts and the Humanities Act of 1965 (20 U.S.C. 956(f)(8)) is
amended by striking out ''paragraphs (4), (5), and (6)'' and
inserting in lieu thereof ''the third sentence of paragraph
(4), and paragraphs (5) and (6)''.

(b) 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 inserting ''agency or'' before ''entity''.

...
(c) Section 7 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956) is amended by adding at the end thereof the following new subsection:

''(i) The Chairman may enter into interagency agreements to promote or assist with the humanities-related activities of other Federal agencies, on either a reimbursable or nonreimbursable basis, and may use funds authorized to be appropriated for the purposes of subsection (c) for the costs of such activities.''.

NATIONAL COUNCIL ON THE HUMANITIES

SEC. 105. Section 8(f) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 957(f)) is amended by striking out ''$17,500'' and inserting in lieu thereof ''$30,000''.

FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES

SEC. 106. (a) Section 9(b) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 958(b)) is amended by inserting ''the Commissioner on Aging,'' after ''Services Administration,''.

(b) 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 (4) thereof, by striking out ''and'' at the end thereof;

(2) in paragraph (5) thereof, by striking out the
period at the end thereof and inserting in lieu thereof
""; and'; and
(3) by adding at the end thereof the following new
paragraph:
'(6) undertake studies and make reports which
address the state of the arts and humanities,
particularly with respect to their economic needs and
problems.''.

(c) Section 9 of the National Foundation on the Arts and
the Humanities Act of 1965 (20 U.S.C. 958) is amended by
adding at the end thereof the following new subsections:
'(d)(1) The Council shall conduct a study of the state
of employment opportunities for professional artists. Such
study shall be undertaken in cooperation and consultation
with the Secretary of Labor and shall address in particular
(A) the effectiveness of existing Federal programs, such as
programs administered under the Comprehensive Employment and
Training Act, in serving and enhancing the employment
opportunities of professional artists; and (B) the need for
new programs to serve and enhance the employment
opportunities of professional artists.
'(2) Not later than one year after the date of the
enactment of the Arts and Humanities Act of 1980, the
Chairman of the Council shall submit a report to the
President and to the Congress relating to the results of the
study required in paragraph (1), including such findings and
recommendations (including legislative recommendations) as
may be appropriate. Any recommendation involving changes in
Federal legislation shall be accompanied by draft
legislation.

'(3) Notwithstanding any other provision of law, no
Federal agency or officer of the Federal Government shall
have any authority to require the Council to submit the
report required in paragraph (2) to any Federal agency or
officer of the Federal Government for approval, comments, or
review, before submission of such report to the Congress.
The President may make such additional comments and
recommendations with respect to the contents of such report
as he may deem appropriate.

'(e)(1) The Council shall conduct a study of (A) the
effectiveness of the program authorized by the Arts and
Artifacts Indemnity Act (20 U.S.C. 971 et seq.); (B) the
impact and feasibility of expanding the existing indemnity
program to include the indemnification of objects loaned by
lenders located in the United States for exhibition
exclusively in the United States; and (C) other means to
encourage and facilitate the wider sharing within the United
States of the items described in section 3(a) of the Arts
and Artifacts Indemnity Act (20 U.S.C. 972(a)), such as the
development of standardized insurance policies and the
development of a Federal technical assistance program to improve the curatorial facilities and personnel of museums. 

'(2) Not later than one year after the date of the enactment of the Arts and Humanities Act of 1980, the Chairman of the Council shall submit a report to the President and to the Congress relating to the results of the study required in paragraph (1), including such findings and recommendations (including legislative recommendations) as may be appropriate. Any recommendation involving changes in Federal legislation shall be accompanied by draft legislation.'

ADMINISTRATIVE PROVISIONS

SEC. 107. (a) Section 10(a)(4) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 959(a)(4)) is amended by inserting ''and culturally diverse'' after ''geographic''.

(b) Section 10(b) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 959(b)) is amended by striking out ''January'' and inserting in lieu thereof ''April''.

(c) Section 10(c) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 959(c)) is amended by striking out ''January'' and inserting in lieu thereof ''April''.

(d) Section 10 of the National Foundation on the Arts
and the Humanities Act of 1965 (20 U.S.C. 959) is amended by adding at the end thereof the following new subsection:

''(d)(1) The Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities each shall conduct a study of the use, sale, or other disposal of property under subsection (a)(2) for the purpose of carrying out sections 5(c) and 7(c). Each such study shall assess in particular (A) the effectiveness of such use, sale, or other disposal of property as an incentive for increasing the levels of non-Federal support; and (B) the extent to which activities carried out by each such Chairman under subsection (a)(2) result in undue administrative and financial burdens upon grant recipients.

''(2) Not later than 2 years after the date of the enactment of the Arts and Humanities Act of 1980, each Chairman shall submit a report to the President and to the Congress relating to the results of the studies required in paragraph (1), including such findings and recommendations (including legislative recommendations) as may be appropriate. Any recommendation involving changes in Federal legislation shall be accompanied by draft legislation.''.

AUTHORIZATION OF APPROPRIATIONS

SEC. 108. (a) The first sentence of 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 to read as
follows: "For the purpose of carrying out section 5(c),
there are authorized to be appropriated to the National
Endowment for the Arts $124,500,000 for fiscal year 1981,
and such sums as may be necessary for fiscal years 1982,

(b) 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 to read as follows:
"For the purpose of carrying out section 7(c), there are
authorized to be appropriated to the National Endowment for
the Humanities $122,000,000 for fiscal year 1981, and such
sums as may be necessary for fiscal years 1982, 1983, 1984,
and 1985."

(c) Section 11(a)(2) of the National Foundation on the
Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)(2)) is
amended to read as follows:
"(2)(A) There are authorized to be appropriated for
each fiscal year ending before October 1, 1985, to the
National Endowment for the Arts an amount equal to the sum
of--
"'(i) the total amounts received by such Endowment
under section 10(a)(2), including the value of property
donated, bequeathed, or devised to such Endowment; and
"'(ii) the total amounts received by the grantees of
such Endowment from non-Federal sources, including the
value of property donated, bequeathed, or devised to such grantees, for use in carrying out projects and other activities under paragraph (1) through paragraph (5) of section 5(c);
except that the amounts so appropriated to the National Endowment for the Arts shall not exceed $18,500,000 for fiscal year 1981, and such sums as may be necessary for fiscal years 1982, 1983, 1984, and 1985.

''(B) There are authorized to be appropriated for each fiscal year ending before October 1, 1985, to the National Endowment for the Humanities an amount equal to the sum of--
''(i) the total amounts received by such Endowment under section 10(a)(2), including the value of property donated, bequeathed, or devised to such Endowment; and
''(ii) the total amounts received by the grantees of such Endowment from non-Federal sources, including the value of property donated, bequeathed, or devised to such grantees, for use in carrying out activities under paragraph (1) through paragraph (7) of section 7(c);
except that the amounts so appropriated to the National Endowment for the Humanities shall not exceed $15,000,000 for fiscal year 1981, and such sums as may be necessary for fiscal years 1982, 1983, 1984, and 1985.''

(d) Section 11(a)(3)(A) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C.
960(a)(3)(A)) is amended to read as follows:

'(3)(A) There are authorized to be appropriated for each fiscal year ending before October 1, 1985, to the National Endowment for the Arts an amount equal to the sum of--

'(i) the total amounts received by such Endowment, including the value of property donated, bequeathed, or devised to such Endowment, for the purposes set forth in section 5(1)(1) pursuant to the authority of section 10(a)(2); and

'(ii) the total amounts received by the grantees of such Endowment from non-Federal sources, including the value of property donated, bequeathed, or devised to such grantees, for use in carrying out activities under subparagraph (A) through subparagraph (F) of section 5(1)(1); except that the amounts so appropriated to such Endowment shall not exceed $30,000,000 for fiscal year 1981, and such sums as may be necessary for fiscal years 1982, 1983, 1984, and 1985.''.

(e) Section 11(a)(3)(B) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)(3)(B)) is amended to read as follows:

'(B) There are authorized to be appropriated for each fiscal year ending before October 1, 1985, to the National
Endowment for the Humanities an amount equal to the sum of--

''(i) the total amounts received by such Endowment, including the value of property donated, bequeathed, or devised to such Endowment, for the purposes set forth in section 7(h)(1) pursuant to the authority of section 10(a)(2); and

''(ii) the total amounts received by the grantees of such Endowment from non-Federal sources, including the value of property donated, bequeathed, or devised to such grantees, for use in carrying out activities under subparagraph (A) through subparagraph (F) of section 7(h)(1); except that the amounts so appropriated to such Endowment shall not exceed $30,000,000 for fiscal year 1981, and such sums as may be necessary for fiscal years 1982, 1983, 1984, and 1985.''

(f) Section 11(a)(4) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)(4)) is amended to read as follows:

''(4) The Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities, as the case may be, shall issue guidelines to implement the provisions of paragraph (2) and paragraph (3). Such guidelines shall be consistent with the requirements of section 5(e), section 5(l)(2), section 7(f), and section
7(h)(2), as the case may be, regarding total Federal support of activities, programs, projects, or productions carried out under authority of this Act.

(g) Section 11(c) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(c)) is amended to read as follows:

'(c)(1) There are authorized to be appropriated to the National Endowment for the Arts $14,000,000 for fiscal year 1981, and such sums as may be necessary for fiscal years 1982, 1983, 1984, and 1985, to administer the provisions of this Act, or any other program for which the Chairman of the National Endowment for the Arts is responsible, including not to exceed $35,000 for each such fiscal year for official reception and representation expenses. The total amount which may be obligated or expended for such expenses for any fiscal year through the use of appropriated funds or any other source of funds shall not exceed $35,000.

'(2) There are authorized to be appropriated to the National Endowment for the Humanities $13,000,000 for fiscal year 1981, and such sums as may be necessary for fiscal years 1982, 1983, 1984, and 1985, to administer the provisions of this Act, or any other program for which the Chairman of the National Endowment for the Humanities is responsible, including not to exceed $35,000 for each such fiscal year for official reception and representation expenses.
expenses. The total amount which may be obligated or expended for such expenses for any fiscal year through the use of appropriated funds or any other source of funds shall not exceed $35,000.''

TECHNICAL AMENDMENTS

SEC. 109. (a) The last sentence of section 5(c) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(c)) is amended by striking out ''Labor and Public Welfare'' and inserting in lieu thereof ''Labor and Human Resources''.

(b) Section 5(g)(4)(A) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(g)(4)(A)) is amended by striking out ''project'' the last place it appears therein and inserting in lieu thereof ''projects''.

(c) The last sentence of section 7(c) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(c)) is amended by striking out ''Labor and Public Welfare'' and inserting in lieu thereof ''Labor and Human Resources''.

(d) Section 9(b) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 958(b)) is amended by striking out ''United States Commissioner of Education'' and inserting in lieu thereof ''Secretary of Education''.

TITLE II--MUSEUM SERVICES

AMENDMENTS TO MUSEUM SERVICES ACT
SEC. 201. (a) Section 203 of the Museum Services Act (20 U.S.C. 962) is amended by striking out ''Health, Education, and Welfare'' and inserting in lieu thereof ''Education''.

(b) Section 204(a)(2)(A)(v) of the Museum Services Act (20 U.S.C. 963(a)(2)(A)(v)) is amended by striking out ''Commissioner of Education'' and inserting in lieu thereof ''Secretary of Education''.

(c)(1) Section 205(a)(2) of the Museum Services Act (20 U.S.C. 963(a)(2)) is amended by striking out ''to the Secretary of Health, Education, and Welfare'' and inserting in lieu thereof ''directly to the Secretary of Education''.

(2) Section 205(b) of the Museum Services Act (20 U.S.C. 963(b)) is amended by striking out ''Department of Health, Education, and Welfare'' and inserting in lieu thereof ''Department of Education''.

(3) Section 205 of the Museum Services Act (20 U.S.C. 963) is amended by adding at the end thereof the following new subsection:

''(c) The Director may appoint without regard to the provisions of title 5, United States Code, governing appointment in the competitive service and may compensate without regard to the provisions of chapter 51 or 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 Institute. 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."

(d)(1) Section 206 of the Museum Services Act (20 U.S.C. 965) is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

''(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, except that any contracts or cooperative agreements entered into pursuant to this subsection shall be effective only to such extent or in such amounts as are provided in appropriations Acts.

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

''(B) No financial assistance may be provided 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 percent of the amount appropriated under this Act for such fiscal year.

''(4) For purposes of this subsection, the term 'professional museum organization' means a private, nonprofit professional museum-related organization, institution, or association which engages in activities designed to advance the well-being of museums and the museum profession.''.

(2) Section 206(c) of the Museum Services Act, as so redesignated in paragraph (1), is amended--

(A) by inserting '''contracts, and cooperative agreements'' after '''Grants''';

(B) by inserting '''or financial assistance'' after '''grant'''; and

(C) by inserting '''or financial assistance'' after '''grants'''.

(3) Section 206 of the Museum Services Act, as amended in paragraph (1), is further amended by adding at the end thereof the following new subsection:

''(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 shall not be subject to any review outside of the
Institute.''.

(e)(1) Section 209(a) of the Museum Services Act (20
U.S.C. 967(a)) is amended to read as follows:
"SEC. 209. (a) For the purpose of making grants under
section 206(a), there are authorized to be appropriated
$25,000,000 for fiscal year 1981, and such sums as may be

(2) Section 209(d) of the Museum Services Act (20 U.S.C.
967(d)) is amended by striking out '1980' and inserting in
lieu thereof '1985'.

AMENDMENTS TO DEPARTMENT OF EDUCATION ORGANIZATION ACT
SEC. 202. Section 413(b)(1) of the Department of
Education Organization Act (20 U.S.C. 3473(b)(1)) is amended
by inserting 'and' at the end of subparagraph (L), by
striking out subparagraph (M), and by redesignating
subparagraph (N) as subparagraph (M).

TITLE III--AMENDMENTS TO ARTS AND ARTIFACTS INDEMNITY ACT
AGGREGATE AMOUNTS COVERED UNDER INDEMNITY AGREEMENTS
SEC. 301. Section 5(b) of the Arts and Artifacts
Indemnity Act (20 U.S.C. 974(b)) is amended by striking out
"$250,000,000" and inserting in lieu thereof
"$400,000,000".

DEDUCTIBLE AMOUNTS UNDER INDEMNITY AGREEMENTS
SEC. 302. Section 5(d) of the Arts and Artifacts
Indemnity Act (20 U.S.C. 974(d)) is amended to read as follows:

'(d) If the estimated value of the items covered by an indemnity agreement for a single exhibition is--

'(1) $2,000,000 or less, then coverage under this Act shall extend only to loss or damage in excess of the first $15,000 of loss or damage to items covered;

'(2) more than $2,000,000 but less than $10,000,000, then coverage under this Act shall extend only to loss or damage in excess of the first $25,000 of loss or damage to items covered; or

'(3) $10,000,000 or more, then coverage under this Act shall extend only to loss or damage in excess of the first $50,000 of loss or damage to items covered.''.