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[STAFF WORKING DRAFT]  
November 12, 1980

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

3

Humanities Act of 1980".

4

TITLE I--AMENDMENTS TO NATIONAL FOUNDATION ON THE ARTS AND

5

THE HUMANITIES ACT OF 1965

6

DEFINITIONS

7

SEC. 101. (a) Section 3(a) of the National Foundation on

8

the Arts and the Humanities Act of 1965 (20 U.S.C. 952(a))

9

is amended by striking out "theory, and practice" and

10

inserting in lieu thereof "and theory".

11

(b) Section 3(d)(1)(B) of the National Foundation on the

12

Arts and the Humanities Act of 1965 (20 U.S.C. 952(d)(1)(B))

13

is amended by inserting "or the National Council on the

14

Humanities, as the case may be" after "Arts".

15

(c) Section 3(g) of the National Foundation on the Arts

16

and the Humanities Act of 1965 (20 U.S.C. 952(g)) is amended

1 by inserting "the Northern Mariana Islands," after  
2 "American Samoa,".

3 NATIONAL ENDOWMENT FOR THE ARTS

4 SEC. 102. (a) Section 5(c) of the National Foundation on  
5 the Arts and the Humanities Act of 1965 (20 U.S.C. 954(c))  
6 is amended--

7 (1) by inserting "or loans" after  
8 "grants-in-aid";

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

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

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

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

20 (b)(1) Section 5(g)(2)(A) of the National Foundation on  
21 the Arts and the Humanities Act of 1965 (20 U.S.C.  
22 954(g)(2)(A)) is amended by striking out ", except that"  
23 and all that follows through the end thereof and inserting  
24 in lieu thereof a semicolon.

25 (2) Section 5(g)(4) of the National Foundation on the

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

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

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

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

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

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

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

25 (3) by redesignating subparagraph (D) and

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

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

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

12                             NATIONAL COUNCIL ON THE ARTS

13      SEC. 103. Section 6(c) of the National Foundation on the  
14      Arts and the Humanities Act of 1965 (20 U.S.C. 955(c)) is  
15      amended by inserting after the first sentence thereof the  
16      following new sentence: ''The terms of office of all Council  
17      members shall expire on the 3rd day of September in the year  
18      of expiration.''.  
19

20                             NATIONAL ENDOWMENT FOR THE HUMANITIES

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

24             ''(2)(A) Whenever a State desires to designate or to  
25      provide for the establishment of a State agency as the sole  
26      agency for the administration of the State plan, such State

1 shall designate the humanities council in existence on the  
2 date of the enactment of the Arts and Humanities Act of  
3 1980, as the State agency, and shall match from State funds  
4 a sum equal to 50 percent of that portion of Federal  
5 financial assistance received by such State under this  
6 subsection which is described in the first sentence of  
7 paragraph (4) relating to the minimum State grant, or 25  
8 percent of the total amount of Federal financial assistance  
9 received by such State under this subsection, whichever is  
10 greater, for the fiscal year involved. In any State in which  
11 the State selects the option described in this subparagraph,  
12 the State shall submit, before the beginning of each fiscal  
13 year, an application for grants and accompany such  
14 application with a plan which the Chairman finds--

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

19       ''(ii) provides that the chief executive of the  
20 State will appoint new members to the State humanities  
21 council designated under the provisions of this  
22 subparagraph, as vacancies occur as a result of the  
23 expiration of the terms of members of such council,  
24 until the chief executive has appointed all of the  
25 members of the council;

1           ''(iii) provides, from State funds, an amount equal  
2 to 50 percent of that portion of Federal financial  
3 assistance received by such State under this subsection  
4 which is described in the first sentence of paragraph  
5 (4) relating to the minimum State grant, or 25 percent  
6 of the total amount of Federal financial assistance  
7 received by such State under this subsection, whichever  
8 is greater, for the fiscal year involved;

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

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

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

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

23           ''(i) establish a procedure which assures that four  
24 members of the governing body of such grant recipient  
25 shall be appointed by an appropriate officer or agency

1 of such State, except that in no event may the number of  
2 such members exceed 20 percent of the total membership  
3 of such governing body; and

4 '(ii) provide, from any source, an amount equal to  
5 the amount of Federal financial assistance received by  
6 such grant recipient under this subsection for the  
7 fiscal year involved.'.

8 (2) Section 7(f)(3) of the National Foundation on the  
9 Arts and the Humanities Act of 1965 (20 U.S.C. 956(f)(3)) is  
10 amended to read as follows:

11 '(3) Whenever a State selects to receive Federal  
12 financial assistance under this subsection for any fiscal  
13 year under paragraph (2)(B), any appropriate entity desiring  
14 to receive such assistance shall submit an application for  
15 such assistance at such time as shall be specified by the  
16 Chairman. Each such application shall be accompanied by a  
17 plan which the Chairman finds--

18 '(A) provides assurances that the grant recipient  
19 will comply with the requirements of paragraph (2)(B);

20 '(B) provides that funds paid to the grant  
21 recipient will be expended solely on programs which  
22 carry out the objectives of subsection (c);

23 '(C) establishes a membership policy which is  
24 designed to assure broad public representation with  
25 respect to programs administered by such grant



1 recipient;

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

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

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

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

18       ''(H) provides that such grant recipient will make  
19 reports to the Chairman, in such form, at such times,  
20 and containing such information, as the Chairman may  
21 require.''.  
22

23 (3)(A) The first sentence of section 7(f)(4) of the  
24 National Foundation on the Arts and the Humanities Act of  
25 1965 (20 U.S.C. 956(f)(4)) is amended by inserting ''State  
and each'' before ''grant recipient''.

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

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

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

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

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

1 all the States.''.

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

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

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

22 ''(E) For purposes of paragraph (4)(B), the term 'State'  
23 and the term 'grant recipient' include, in addition to the  
24 several States of the Union, only those special  
25 jurisdictions specified in section 3(g) which have a

1 population of 200,000 or more, according to the latest  
2 decennial census.''.

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

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

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

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

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

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

23 (b) Section 7(g) of the National Foundation on the Arts  
24 and the Humanities Act of 1965 (20 U.S.C. 956(g)) is amended  
25 by inserting 'agency or' before 'entity'.

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

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

10 NATIONAL COUNCIL ON THE HUMANITIES

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

15 FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES

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

20 (b) Section 9(c) of the National Foundation on the Arts  
21 and the Humanities Act of 1965 (20 U.S.C. 958(c)) is  
22 amended--

23 (1) in paragraph (4) thereof, by striking out  
24 'and' at the end thereof;

25 (2) in paragraph (5) thereof, by striking out the

1 period at the end thereof and inserting in lieu thereof  
2 ''; and''; and

3 (3) by adding at the end thereof the following new  
4 paragraph:

5 ''(6) undertake studies and make reports which  
6 address the state of the arts and humanities,  
7 particularly with respect to their economic needs and  
8 problems.''.

9 (c) Section 9 of the National Foundation on the Arts and  
10 the Humanities Act of 1965 (20 U.S.C. 958) is amended by  
11 adding at the end thereof the following new subsections:

12 ''(d)(1) The Council shall conduct a study of the state  
13 of employment opportunities for professional artists. Such  
14 study shall be undertaken in cooperation and consultation  
15 with the Secretary of Labor and shall address in particular  
16 (A) the effectiveness of existing Federal programs, such as  
17 programs administered under the Comprehensive Employment and  
18 Training Act, in serving and enhancing the employment  
19 opportunities of professional artists; and (B) the need for  
20 new programs to serve and enhance the employment  
21 opportunities of professional artists.

22 ''(2) Not later than one year after the date of the  
23 enactment of the Arts and Humanities Act of 1980, the  
24 Chairman of the Council shall submit a report to the  
25 President and to the Congress relating to the results of the

1 study required in paragraph (1), including such findings and  
2 recommendations (including legislative recommendations) as  
3 may be appropriate. Any recommendation involving changes in  
4 Federal legislation shall be accompanied by draft  
5 legislation.

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

15 '(e)(1) The Council shall conduct a study of (A) the  
16 effectiveness of the program authorized by the Arts and  
17 Artifacts Indemnity Act (20 U.S.C. 971 et seq.); (B) the  
18 impact and feasibility of expanding the existing indemnity  
19 program to include the indemnification of objects loaned by  
20 lenders located in the United States for exhibition  
21 exclusively in the United States; and (C) other means to  
22 encourage and facilitate the wider sharing within the United  
23 States of the items described in section 3(a) of the Arts  
24 and Artifacts Indemnity Act (20 U.S.C. 972(a)), such as the  
25 development of standardized insurance policies and the

1 development of a Federal technical assistance program to  
2 improve the curatorial facilities and personnel of museums.

3       ''(2) Not later than one year after the date of the  
4 enactment of the Arts and Humanities Act of 1980, the  
5 Chairman of the Council shall submit a report to the  
6 President and to the Congress relating to the results of the  
7 study required in paragraph (1), including such findings and  
8 recommendations (including legislative recommendations) as  
9 may be appropriate. Any recommendation involving changes in  
10 Federal legislation shall be accompanied by draft  
11 legislation.''.  
12

#### ADMINISTRATIVE PROVISIONS

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

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

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

25       (d) Section 10 of the National Foundation on the Arts



1 and the Humanities Act of 1965 (20 U.S.C. 959) is amended by  
2 adding at the end thereof the following new subsection:

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

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

22                                   AUTHORIZATION OF APPROPRIATIONS

23       SEC. 108. (a) The first sentence of section 11(a)(1)(A)  
24 of the National Foundation on the Arts and the Humanities  
25 Act of 1965 (20 U.S.C. 960(a)(1)(A)) is amended to read as

1 follows: "For the purpose of carrying out section 5(c),  
2 there are authorized to be appropriated to the National  
3 Endowment for the Arts \$124,500,000 for fiscal year 1981,  
4 and such sums as may be necessary for fiscal years 1982,  
5 1983, 1984, and 1985."

6 (b) The first sentence of section 11(a)(1)(B) of the  
7 National Foundation on the Arts and the Humanities Act of  
8 1965 (20 U.S.C. 960(a)(1)(B)) is amended to read as follows:  
9 "For the purpose of carrying out section 7(c), there are  
10 authorized to be appropriated to the National Endowment for  
11 the Humanities \$122,000,000 for fiscal year 1981, and such  
12 sums as may be necessary for fiscal years 1982, 1983, 1984,  
13 and 1985."

14 (c) Section 11(a)(2) of the National Foundation on the  
15 Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)(2)) is  
16 amended to read as follows:

17 "(2)(A) There are authorized to be appropriated for  
18 each fiscal year ending before October 1, 1985, to the  
19 National Endowment for the Arts an amount equal to the sum  
20 of--

21 "(i) the total amounts received by such Endowment  
22 under section 10(a)(2), including the value of property  
23 donated, bequeathed, or devised to such Endowment; and

24 "(ii) the total amounts received by the grantees of  
25 such Endowment from non-Federal sources, including the

1 value of property donated, bequeathed, or devised to  
2 such grantees, for use in carrying out projects and  
3 other activities under paragraph (1) through paragraph  
4 (5) of section 5(c);

5 except that the amounts so appropriated to the National  
6 Endowment for the Arts shall not exceed \$18,500,000 for  
7 fiscal year 1981, and such sums as may be necessary for  
8 fiscal years 1982, 1983, 1984, and 1985.

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

12 '(i) the total amounts received by such Endowment  
13 under section 10(a)(2), including the value of property  
14 donated, bequeathed, or devised to such Endowment; and

15 '(ii) the total amounts received by the grantees of  
16 such Endowment from non-Federal sources, including the  
17 value of property donated, bequeathed, or devised to  
18 such grantees, for use in carrying out activities under  
19 paragraph (1) through paragraph (7) of section 7(c);

20 except that the amounts so appropriated to the National  
21 Endowment for the Humanities shall not exceed \$15,000,000  
22 for fiscal year 1981, and such sums as may be necessary for  
23 fiscal years 1982, 1983, 1984, and 1985.''

24 (d) Section 11(a)(3)(A) of the National Foundation on  
25 the Arts and the Humanities Act of 1965 (20 U.S.C.

1 960(a)(3)(A) is amended to read as follows:

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

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

11 '(ii) the total amounts received by the grantees of  
12 such Endowment from non-Federal sources, including the  
13 value of property donated, bequeathed, or devised to  
14 such grantees, for use in carrying out activities under  
15 subparagraph (A) through subparagraph (F) of section  
16 5(1)(1);

17 except that the amounts so appropriated to such Endowment  
18 shall not exceed \$30,000,000 for fiscal year 1981, and such  
19 sums as may be necessary for fiscal years 1982, 1983, 1984,  
20 and 1985.''

21 (e) Section 11(a)(3)(B) of the National Foundation on  
22 the Arts and the Humanities Act of 1965 (20 U.S.C.

23 960(a)(3)(B)) is amended to read as follows:

24 '(B) There are authorized to be appropriated for each  
25 fiscal year ending before October 1, 1985, to the National

1 Endowment for the Humanities an amount equal to the sum of--

2       ''(i) the total amounts received by such Endowment,  
3 including the value of property donated, bequeathed, or  
4 devised to such Endowment, for the purposes set forth in  
5 section 7(h)(1) pursuant to the authority of section  
6 10(a)(2); and

7       ''(ii) the total amounts received by the grantees of  
8 such Endowment from non-Federal sources, including the  
9 value of property donated, bequeathed, or devised to  
10 such grantees, for use in carrying out activities under  
11 subparagraph (A) through subparagraph (F) of section  
12 7(h)(1);

13 except that the amounts so appropriated to such Endowment  
14 shall not exceed \$30,000,000 for fiscal year 1981, and such  
15 sums as may be necessary for fiscal years 1982, 1983, 1984,  
16 and 1985.''

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

20       ''(4) The Chairman of the National Endowment for the  
21 Arts and the Chairman of the National Endowment for the  
22 Humanities, as the case may be, shall issue guidelines to  
23 implement the provisions of paragraph (2) and paragraph (3).  
24 Such guidelines shall be consistent with the requirements of  
25 section 5(e), section 5(1)(2), section 7(f), and section

1 7(h)(2), as the case may be, regarding total Federal support  
2 of activities, programs, projects, or productions carried  
3 out under authority of this Act.''.  
4

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

8 '(c)(1) There are authorized to be appropriated to the  
9 National Endowment for the Arts \$14,000,000 for fiscal year  
10 1981, and such sums as may be necessary for fiscal years  
11 1982, 1983, 1984, and 1985, to administer the provisions of  
12 this Act, or any other program for which the Chairman of the  
13 National Endowment for the Arts is responsible, including  
14 not to exceed \$35,000 for each such fiscal year for official  
15 reception and representation expenses. The total amount  
16 which may be obligated or expended for such expenses for any  
17 fiscal year through the use of appropriated funds or any  
18 other source of funds shall not exceed \$35,000.

19 '(2) There are authorized to be appropriated to the  
20 National Endowment for the Humanities \$13,000,000 for fiscal  
21 year 1981, and such sums as may be necessary for fiscal  
22 years 1982, 1983, 1984, and 1985, to administer the  
23 provisions of this Act, or any other program for which the  
24 Chairman of the National Endowment for the Humanities is  
25 responsible, including not to exceed \$35,000 for each such  
fiscal year for official reception and representation

1 expenses. The total amount which may be obligated or  
2 expended for such expenses for any fiscal year through the  
3 use of appropriated funds or any other source of funds shall  
4 not exceed \$35,000.''.  
5

#### 6 TECHNICAL AMENDMENTS

7 SEC. 109. (a) The last sentence of section 5(c) of the  
8 National Foundation on the Arts and the Humanities Act of  
9 1965 (20 U.S.C. 954(c)) is amended by striking out ''Labor  
10 and Public Welfare'' and inserting in lieu thereof ''Labor  
11 and Human Resources''.

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

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

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

#### 25 TITLE II--MUSEUM SERVICES

#### AMENDMENTS TO MUSEUM SERVICES ACT.

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

4       (b) Section 204(a)(2)(A)(v) of the Museum Services Act  
5 (20 U.S.C. 963(a)(2)(A)(v)) is amended by striking out  
6 'Commissioner of Education' and inserting in lieu thereof  
7 'Secretary of Education'.

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

12       (2) Section 205(b) of the Museum Services Act (20 U.S.C.  
13 963(b)) is amended by striking out 'Department of Health,  
14 Education, and Welfare' and inserting in lieu thereof  
15 'Department of Education'.

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

19       '(c) The Director may appoint without regard to the  
20 provisions of title 5, United States Code, governing  
21 appointment in the competitive service and may compensate  
22 without regard to the provisions of chapter 51 or subchapter  
23 III of chapter 53 of such title relating to classification  
24 and General Schedule pay rates not to exceed one-fifth of  
25 the number of full-time regular technical or professional



1 employees of the Institute. The rate of basic compensation  
2 for such employees may not equal or exceed the rate  
3 prescribed for GS-16 of the General Schedule under section  
4 5332 of title 5, United States Code.''.

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

9 '(b)(1) The Director, subject to the policy direction  
10 of the National Museum Services Board, is authorized to  
11 enter into contracts and cooperative agreements with  
12 professional museum organizations to provide financial  
13 assistance to such organizations in order to enable such  
14 organizations to undertake projects designed to strengthen  
15 museum services, except that any contracts or cooperative  
16 agreements entered into pursuant to this subsection shall be  
17 effective only to such extent or in such amounts as are  
18 provided in appropriations Acts.

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

22 '(B) No financial assistance may be provided under this  
23 subsection to pay for the operational expenses of any  
24 professional museum organization.

25 '(3) The aggregate amount of financial assistance made

1 under this subsection to professional museum organizations  
2 shall not exceed 5 percent of the amount appropriated under  
3 this Act for such fiscal year.

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

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

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

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

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

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

21 '(d) The Director shall establish procedures for  
22 reviewing and evaluating grants, contracts, and cooperative  
23 agreements made or entered into under this section.  
24 Procedures for reviewing grant applications or contracts and  
25 cooperative agreements for financial assistance under this

1 section shall not be subject to any review outside of the  
2 Institute.''.

3 (e)(1) Section 209(a) of the Museum Services Act (20  
4 U.S.C. 967(a)) is amended to read as follows:

5 ''SEC. 209. (a) For the purpose of making grants under  
6 section 206(a), there are authorized to be appropriated  
7 \$25,000,000 for fiscal year 1981, and such sums as may be  
8 necessary for fiscal years 1982, 1983, 1984, and 1985.''.

9 (2) Section 209(d) of the Museum Services Act (20 U.S.C.  
10 967(d)) is amended by striking out ''1980'' and inserting in  
11 lieu thereof ''1985''.

12 AMENDMENTS TO DEPARTMENT OF EDUCATION ORGANIZATION ACT

13 SEC. 202. Section 413(b)(1) of the Department of  
14 Education Organization Act (20 U.S.C. 3473(b)(1)) is amended  
15 by inserting ''and'' at the end of subparagraph (L), by  
16 striking out subparagraph (M), and by redesignating  
17 subparagraph (N) as subparagraph (M).

18 TITLE III--AMENDMENTS TO ARTS AND ARTIFACTS INDEMNITY ACT

19 AGGREGATE AMOUNTS COVERED UNDER INDEMNITY AGREEMENTS

20 SEC. 301. Section 5(b) of the Arts and Artifacts  
21 Indemnity Act (20 U.S.C. 974(b)) is amended by striking out  
22 ''\$250,000,000'' and inserting in lieu thereof  
23 ''\$400,000,000''.

24 DEDUCTIBLE AMOUNTS UNDER INDEMNITY AGREEMENTS

25 SEC. 302. Section 5(d) of the Arts and Artifacts

413

1 Indemnity Act (20 U.S.C. 974(d)) is amended to read as  
2 follows:

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

5 '(1) \$2,000,000 or less, then coverage under this  
6 Act shall extend only to loss or damage in excess of the  
7 first \$15,000 of loss or damage to items covered;

8 '(2) more than \$2,000,000 but less than  
9 \$10,000,000, then coverage under this Act shall extend  
10 only to loss or damage in excess of the first \$25,000 of  
11 loss or damage to items covered; or

12 '(3) \$10,000,000 or more, then coverage under this  
13 Act shall extend only to loss or damage in excess of the  
14 first \$50,000 of loss or damage to items covered.''