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Legislative History of the Reauthorization of the National Endowment for the Arts (NEA) (1990): Report 03

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**ARTS, HUMANITIES, AND MUSEUMS AMENDMENTS OF
1993**

NOVEMBER 12, 1993.—Ordered to be printed

Filed under authority of the order of the Senate of November 11 (legislative day,
November 2), 1993

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

REPORT

[To accompany S. 1218]

The Committee on Labor and Human Resources, to which was referred the bill (S. 1218) to amend the National Foundation on the Arts and Humanities Act of 1965 to extend the authorization of appropriations for fiscal years 1994 and 1995, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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I. FINDINGS

The Committee finds that the agencies authorized under the National Foundation on the Arts and Humanities Act have contributed in a significant way to the cultural well-being of our nation. As a direct result of the programs of the National Endowment for the Arts, National Endowment for the Humanities and the Insti-

of authorizations for the National Endowment for the Arts (NEA), the National Endowment for the Humanities (NEH) and the Institute of Museum Services (IMS) for two fiscal years through fiscal year 1995. In addition, these amendments provide the stipulation that the National Endowment for the Arts will not increase its direct grant to any State which has decreased its own funding for the arts if the State's current year funding for the arts is less than the average annual amount the state spent on the arts during the three most recent years. A State's basic grant would only be capped in cases where cuts in a State's arts programs are disproportionate to cuts made in other non-mandatory programs.

III. LEGISLATIVE HISTORY

The National Foundation on the Arts and Humanities was established by Public Law 89-209 in 1965. The original Act was preceded by the National Arts and Cultural Development Act of 1964 (Public Law 88-579), which established a National Council on the Arts. The National Council on the Arts was transferred to the National Endowment for the Arts when the National Foundation on the Arts and Humanities Act became law in 1965. The National Foundation on the Arts and Humanities is currently composed of the National Endowment for the Arts (and its National Council on the Arts), the National Endowment for the Humanities (and its National Council on the Humanities), the Federal Council on the Arts and Humanities and the Institute of Museum Services (and its National Museum Services Board).

The National Foundation on the Arts and Humanities Act was subsequently amended in 1967 by Public Law 90-83; in 1968 by Public Law 90-348; in 1970 by Public Law 91-346; in 1973 by Public Law 93-133; in 1976 by Public Law 94-462 and Public Law 94-555; in 1980 by Public Law 96-496; in 1984 by Public Law 98-306; in 1985 by Public Law 99-194; in 1986 by Public Law 99-362; in 1989 by Public Law 101-121 and in 1990 by Public Law 101-512. The major reauthorizations occurred in 1968, 1970, 1973, 1976, 1980, 1985 and 1990.

The Museum Services Act was first enacted as Title II of the Arts, Humanities and Cultural Affairs Act of 1976 (Public Law 94-462). The Act was subsequently amended in 1980 by Public Law 96-496; in 1984 by Public Law 98-306; in 1985 by Public Law 99-194 and in 1990 by Public Law 101-512.

The Arts and Artifacts Indemnity Act, "an Act to provide indemnity for exhibitions of artistic and humanistic endeavors," was enacted in 1975 by Public Law 94-158 and later amended by Public Law 99-194. The Federal Council on the Arts and Humanities was given authority to make agreements against loss or damage to art objects and artifacts.

IV. COMMITTEE ACTION

On May 5, 1993, the Administration transmitted to Congress proposed legislation to extend the authorization of appropriations for the National Endowment for the Arts, the National Endowment for the Humanities and the Institute for Museum Services for a pe-

Section 2(b)(2) authorizes funds for the National Endowment for the Humanities. It provides \$130,573,000 for fiscal year 1994 and such sums as may be necessary for fiscal year 1995.

Section 2(c)(1) extends the authorization and establishes appropriations levels for Arts Endowment and Humanities Endowment Treasury funds for fiscal years 1994 and 1995. It provides \$16,955,000 for fiscal year 1994 and such sums as may be necessary for fiscal year 1995 for the NEA. It also provides \$11,963,000 for fiscal year 1994 and such sums as may be necessary for fiscal year 1995 for the Humanities Endowment Treasury funds.

Section 2(c)(2) extends the authorization and establishes appropriations levels for the Arts Endowment and Humanities Endowment Challenge Grant Program. For the Arts Endowment, it provides \$13,187,000 for fiscal year 1993 and such sums as may be necessary for fiscal year 1994. For the Humanities Endowment, it provides \$14,228 for fiscal year 1994 and such sums as may be necessary for fiscal year 1995.

Section 2(c)(3) corrects a technical error in section 103(i)(2)(B) of P.L. 101-512, providing appropriations for the Department of Interior and related agencies.

Section 2(d) extends the authorization and establishes appropriations levels for the Arts Endowment and Humanities Endowment Administration funds. For the Arts Endowment, \$24,466,000 are provided for fiscal year 1994 and such sums as may be necessary for fiscal year 1995. For the Humanities Endowment, \$20,727,000 is provided for fiscal year 1994 and such sums as may be necessary for fiscal year 1995.

Section 2(e) establishes the limitations on total appropriations on the Arts and Humanities Endowments. For the Arts Endowment the limitation of total appropriations for fiscal year 1994 is \$174,593,000. For the Humanities Endowment the limitation of total appropriations for fiscal year 1994 is \$177,491,000.

Section 2(f) requires that the Chairperson of the National Endowment for the Art conduct an investigation of compliance with section 5(g)(4)(C)(i) of the National Foundation and Humanities Act by the states and submit to the Congress a report containing the findings of such investigation and any relevant information and recommendations that are deemed appropriate.

Section 3

Section 3 extends authorization for the Institute of Museum Services for two years and provides funding levels for the agency. It authorizes \$28,777,000 for fiscal year 1994 and such sums as may be necessary for fiscal year 1995. Authorization of appropriations to match contributions to IMS is also extended for two years.

Basis of estimate: This bill reauthorizes for two years appropriations for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute for Museum Services.

S. 1218 authorizes appropriations of specific amounts for fiscal year 1994 and such sums as may be necessary for fiscal year 1995. Earlier this month, the Congress completed the appropriations bill for the Department of Interior and related agencies, which appropriated funds for the above programs for fiscal year 1994. In the case of the National Endowment for the Arts, the amount specifically authorized in S. 1218 is larger than the 1994 appropriation. Therefore, the bill authorizes additional appropriations in fiscal year 1994. The amount of the additional authority is shown above. Authorizations of such sums as may be necessary have been estimated by increasing the amount specified for 1994 to reflect projected inflation. All outlay estimates assume appropriation of the full authorized amount at the beginning of each fiscal year. Estimated outlays reflect spending patterns of the current programs.

6. Pay-as-you-go considerations: The Budget Enforcement Act of 1990 sets up procedures for legislation affecting direct spending or receipts through 1998. CBO estimates that enactment of S. 1218 would not affect direct spending or receipts. Therefore, pay-as-you-go procedure would not apply to this bill.

7. Estimated cost to State and local governments: Assuming full appropriation of the authorized amounts in 1995, the state and local government costs for matching funds for grants under the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute for Museum Services are described below.

National Endowment for the Arts (NEA).—The grants provided by NEA to state and local agencies require state and local government to match 50 percent of the federal funds. CBO estimates that grants to state and local governments would be \$50 million for fiscal year 1995. The resulting costs to state and local agencies for matching funds would be \$15 million, \$26 million, \$5 million, and \$4 million in fiscal years 1995 through 1998, respectively.

National Endowment for the Humanities (NEH).—According to staff at the NEH, none of the NEH funds currently go to state and local governments. Based on this information and recent program experience, CBO estimates there would be no effect on state and local budgets for NEH programs.

Institute for Museum Services.—The state and local costs related to grants provided by the Institute for Museum Services vary depending on the type of grant received. General operating and support grants may provide up to a 15 percent federal share of the costs for a specific museum but not more than a maximum of \$112,500 per grant, project grants may provide up to a 50 percent federal share of a specific project, and assessment grants may provide full federal funding for assessments. Staff at the institute believe that about 10 percent of the grants currently go to museums that are considered state or local entities. Using this assumption, CBO estimates the state and local costs under this program at \$4 million in 1995, and \$9 million in 1996. These costs, however, will be incurred only if state and local governments accept the grants.

the National Endowment for the Arts for the purpose of carrying out section 5(c).

(B) All amounts allotted under paragraph (3) that are not made available to a State as a result of the operation of subsection (g)(4)(C)(ii) shall be allotted to the remaining States in equal amounts.

* * * * *

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. (a)(1)(A)(i) For the purpose of carrying out section 5(c), there are authorized to be appropriated to the National Endowment for the Arts [\$125,800,000 for fiscal year 1991 and such sums as may be necessary for fiscal years 1992 and 1993] *\$119,985,000 for fiscal year 1994 and such sums as may be necessary for fiscal year 1995.*

[(ii) For fiscal years—

[(I) 1991 and 1992 not less than 25 percent of the amount appropriated for the respective fiscal year, and

[(II) 1993 not less than 27.5 percent of the amount appropriated for such fiscal year; shall be for carrying out section 5(g).]

(ii) Not less than 27.5 percent of the amount appropriated under clause (i) for each of the fiscal years 1994 and 1995 shall be for carrying out section 5(g).

(iii) [For fiscal years—

[(I) 1991 and 1992 not less than 5 percent of the amount appropriated for the respective fiscal year, and

[(II) 1993 not less than 7.5 percent of the amount appropriated for such fiscal year; shall] *Not less than 7.5 percent of the amount appropriated under clause (i) for each of the fiscal years 1994 and 1995 shall be for carrying out programs under section 5(p)(2) (relating to programs to expand public access to the arts in rural and innercity areas). Not less than 50 percent of the funds required by this clause to be used for carrying out such programs shall be used for carrying out such programs in rural areas.*

(B) For the purpose of carrying out section 7(c), there are authorized to be appropriated to the National Endowment for the Humanities [\$119,900,000 for fiscal year 1991 and such sums as may be necessary for fiscal years 1992 and 1993] *\$130,573,000 for fiscal year 1994 and such sums as may be necessary for fiscal year 1995.* Of the sums so appropriated for any fiscal year, not less than 20 per centum shall be for carrying out section 7(f).

(2)(A) There are authorized to be appropriated for each fiscal year ending before October 1, [1993] *1995*, to the National Endowment for the Arts an amount equal to the sum of—

* * * * *

except that the amounts so appropriated to the National Endowment for the Arts shall not exceed [\$13,000,000 for fiscal

for such expenses for any fiscal year through the use of appropriated funds or any other source of funds shall not exceed \$50,000.

(2) There are authorized to be appropriated to the National Endowment for the Humanities [\$17,950,000 for fiscal year 1991 and such sums as may be necessary for fiscal years 1992 and 1993] \$20,727,000 for fiscal year 1994 and such sums as may be necessary for fiscal year 1995, to administer the provisions of this Act, or any other program for which the Chairperson of the National Endowment for the Humanities is responsible, including not to exceed \$50,000 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 \$50,000.

(d)(1) The total amount of appropriations to carry out the activities of the National Endowment for the Arts shall not [exceed—

[(A) \$167,060,000 for fiscal year 1986,

[(B) \$170,206,400 for fiscal year 1987, and

[(C) \$177,014,656 for fiscal year 1988.] exceed \$174,593,000 for fiscal year 1994.

(2) The total amount of appropriations to carry out the activities for the National Endowment for the Humanities shall not [exceed—

[(A) \$139,878,000 for fiscal year 1986,

[(B) \$145,057,120 for fiscal year 1987, and

[(C) \$150,859,405 for fiscal year 1988.] exceed \$177,491,000 for fiscal year 1994.

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MUSEUM SERVICES ACT

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TITLE II—MUSEUM SERVICES

SHORT TITLE

SEC. 201. * * *

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AUTHORIZATION OF APPROPRIATIONS

SEC. 209. (a) For the purpose of making grants under section 206 (a), there are authorized to be appropriated, [\$24,000,000 for fiscal year 1991 and such sums as may be necessary for fiscal years 1992 and 1993] \$28,777,000 for fiscal year 1994 and such sums as may be necessary for fiscal year 1995.

* * * * *

(d) For the purpose of enabling the Institute to carry out its functions under this title, there is authorized to be appropriated for each fiscal year ending before October 1, [1993] 1995, an amount equal to the amount contributed during such fiscal year period to the Institute under section 207.

* * * * *