Mr. PELL

AMENDMENT FOR ARTS, HUMANITIES, AND CULTURAL AFFAIRS ACT OF 1976

viz: At the appropriate place in the bill insert the following new section:

Sec. (a) Section 7 of the National Foundation on the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new subsection:

"(f) (1) The Chairman, with the advice of the National Council on the Humanities, is authorized to establish and carry out a program of grants-in-aid to assist the several States in supporting not more than 50 per centum of the costs of existing activities which meet the standards enumerated in subsection (c), and in developing projects in the humanities in such a manner as will furnish adequate programs in the humanities in each of the several States.

"(2) In order to receive assistance under this subsection in any fiscal year, a State shall submit an application for such grants at such time as the Chairman shall specify. Each such application shall be accompanied by an annual plan which the Chairman finds--

"(A) designates an existing State agency having responsibility for the arts and the humanities to be the sole agency for administering the State plan; or

"(B) designates a State committee on the humanities
or some other appropriate entity to be the sole agency for administering the State plan if the plan--

"(i) is submitted for the approval of the Governor of the State or his designee, prior to submitting/to the Chairman;

"(ii) establishes procedures under which the Governor will appoint a majority of the members of the committee within 3 years after the date of enactment of the Arts, Humanities and Cultural Affairs Act of 1976;

"(iii) establishes a membership policy designed to assure broad public representation on the committee;

"(iv) provides a nomination process which assures opportunities for nomination to membership on the committee from a variety of segments of the population of the State;

"(v) provides for the rotation of committee membership and committee officers on a regular basis;

"(vi) establishes adequate reporting procedures designed to inform the Governor of the State and other appropriate State agencies of the activities of the committee; and

"(vii) establishes procedures for public access to information about the activities of the committee; and
"(C) provides that funds paid to the State under this subsection will be expended solely on programs, approved by the State agency in the case of States designating under clause (A) of this paragraph or by the State committee in the case of States designating under clause (B) of this paragraph, which carry out one or more of the objectives of subsection (c); and

"(D) provides that the State agency, in the case of a State designating under clause (A) of this paragraph, or the State committee in the case of a State designating under clause (B) of this paragraph, will make such reports, in such form, and containing such information, as the Chairman may require.

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

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

"(B) the amount of such excess, if any, which remains after reserving in full for the Chairman the amount required under clause (A) shall be allotted among the States which have plans approved by the Chairman in equal amounts, but in no event shall any State be allotted less than $100,000.

"(4) (A) That part of any allotment made under paragraph (3) for any fiscal year--

"(i) which exceeds $62,500, but

"(ii) which does not exceed 20 per centum of such allotment,

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

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

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

"(D) For the purposes of paragraph (3) and this paragraph, the term 'regional group' means any multi-State group, whether or not representative of contiguous States.
"(5) All amounts allotted or made available under paragraph (3) for a fiscal year which are not granted to a State during such year shall be available to the National Endowment for the Humanities for the purpose of carrying out section 5 (c).

"(6) Whenever the Chairman, after reasonable notice and opportunity for hearing, finds that--

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

"(B) a State agency or a State committee, as the case may be, is not complying substantially with terms and conditions of its State plan approved under this section; or

"(C) any funds granted to a group, State agency, or State committee under this section have been diverted from the purposes for which they are allotted or paid, the Chairman shall immediately notify the Secretary of the Treasury and the group, State agency, or State committee with respect to which such finding was made that no further grants will be made under this section to such group, agency, or committee, until there is no longer a default or failure to comply or the diversion has been corrected, or, if the compliance or correction is impossible, until such group, or agency, or committee repays or arranges the repayment of the Federal funds which have been improperly diverted or expended."

(b) The amendment made by subsection (a) shall be effective with respect to fiscal year 1977 and succeeding fiscal years.