Institute of Museum and Library Services Act (1996): Correspondence 18

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June 4, 1996

Wendy:

Here are my notes based on the Draft Language for the Museums and Libraries portion of THE BILL. The transition language I discussed with Mark Sigurski has to be requested by you, but he has it marked up. I hope that all of this is helpful.

I shall be out of the office all morning, but will be available anytime after 12:30, should you have any questions.

Thanks, and good luck!

Pamela
NOTES ON DISCUSSION DRAFT - MUSEUMS & LIBRARIES

Sec. 202 (1) Correct line 15/16 to read National Commission on Libraries and Information Science (strike “Museums”).

(2) Add to line 21 after “Director of the Institute” “of Museum and Library Services”.

Sec. 204(3)(d) Use first bracket starting on line 14; not second.

Sec. 205(b) Strike entire paragraph, lines 10-14. We leave this up to the Director.

Sec. 211(a)(1) Do we need to cite the specific programs; e.g., Library Services & Construction Act, etc., line 24?

Sec. 213(3) Remove brackets, lines 4/5; text OK.

(4) Strike one “the US Virgin Islands” as duplicated.

(6) Remove brackets lines 6/7, retain “supported”.

Sec. 214(a)(2) Jenny and I had submitted a small technical change to clarify text in our last notes. Please can line 17 read: “shall be limited to the transfer of any funds appropriated under the au-”. Thanks.

(b)(1) Our intent here is to allow forward funding so long as appropriations cover the program and there is not a 9-month gap. Can transition start immediately upon passage of the bill to be completed and effective by June 31, 1997, for instance? Remove brackets lines 2-5 on p.10.

(b)(2) Lines 11/12, can we say “appropriations are made available under the forward funding procedure described under subparagraph (?)”?

Can we suggest an (e) dealing with Availability of Appropriations—“Notwithstanding any other provision of law, unless enacted in specific limitation of the provisions of this subsection, any funds from appropriations to carry out any program under this subtitle during any fiscal year which are not obligated and expended by State library administrative agencies or other antedates receiving grants prior to the beginning of the fiscal year succeeding the fiscal year for which such funds were appropriated shall remain available for obligation and expenditure by such agencies and entities during such succeeding fiscal year”?

Sec. 221(a) Should we refer to forward funding here, if there are funds?

(b)(3) Move paragraph to national leadership section, removing brackets on lines 24/25.

(b)(4)(A) Line 6, number in bracket should be $340,000 as that was the offer.

(b)(4)(C) (I) Remove all brackets through line 14, sentence ending “2001”.

Sec. 222 The Lab is capped at 5% as per p.13; the entities are capped at 4%, the same for States.

Sec. 223 Here’s where I am still confused. Maintenance of efforts here does not conform
to the rest of the bill. I have a note that we might use the same language as in the Voc. Ed. provisions; and “100% with 5% waiver or equivalent to federal support”. My concerns are: 1) is the power of the Director strong enough to allow for compensation to libraries if one terrible unforeseen year occurs?; and 2) the same as Leg. Counsel, p. 15, lines 18-21, although I see the fourth outyear being the bad one. Averaging is a problem. Is there a way to fix it so that States are not penalized for things beyond their control? I think that we have covered the situation where federal funding for libraries is not decreased when library money is disproportionately reduced in the State budget, but if this is not the case, that would be a third concern.

In (c)(3), can we end the waiver paragraph on line 10 after “equitable”, or add some exceptions?

Sec. 224(c) Each State Library administrative agency shall report to the Director on the agency’s success in meeting the purposes of this act.

(d) Use “determines necessary” to “meet the requirements” -- but, either will do.

(f) I noticed some technical problems with the transition language and expressed them to Mark Sigurski who has a solution, a second section here that will make funds appropriated under LSCA available to carry over in this subtitle for fiscal 1997. Mark raised the question of whether or not the whole “Interim Application” section should move to the section addressing transition rules, but seemed to favor leaving it where it is.

Also, please note that the dates need to change, so that line 22 on p. 19 reads “October 1, 1997”, and line 4 on p. 20 reads “October 1, 1996”.

Sec. 231 The title should include special services if technology is added. Thus: “Grants to States for Information Access Through Technology and Special Services” or “Grants to States for Information Access”.

(a)(1) Include wording in bracket “local service providers”, lines 22/23, p.20.

(a)(2) If everyone else thinks this is OK, cool; but I feel a bit more of the old language would further clarify.

Sec. 261 Strike (b) to (f); conform to rest of bill.

Sec. 262(c) By moving (b)(3) from p.11, sec.221, you will now have two Special Rules on p.25.

Sec. 273 Are we going to have any loose-end managerial issues by not defining the powers of the Deputy Directors; e.g., is it OK that the Director makes the decisions about museum grants even though s/he has only library experience? This question is also true of Sec. 303 (b) . Perhaps 303 (d) takes care of it.

(a)(1) Remove brackets, retain the text in them.

(b)(1) The Director and Museum Board determine this -- no problem.

(c)(2) A technical change in response to Leg. Counsel’s question: Should we have title read “OVER 50% PERCENT” and line 19 (p.29) read “Federal share may be
greater than 50%”? Remove bracket on line 16, retain “section”.

(d) Remove brackets.

Sec. 275 Page 33, the section references are incorrect. They should be 273 (a), not 204, and in the case of line 23, 273(a)(7).

Sec. 302(b)(1)(B) and (c)(1) Change section reference to 262 (a)(4) in both places.

Sec. 303(d), p. 41, lines 6-8. Do we need this language?

Sec. 306(a)(1)(A) Leg. Counsel may have a suggestion to add language allowing for appropriate uses for carried-over LSCA funds. My suggestion, which I ran by Mark, would be, after “repealed”, “Any Library Services and Construction Act or Higher Education Act Title II funds remaining available for obligation after October 1, 1996 shall be expended in accordance with this act and the interim application in Section 224(f)....”

(b) A technical matter: I just noticed another act that references LSCA that needs to be amended. I propose adding a (7) to state as follows: “Section 254(h)(4) of the Telecommunications Act of 1996 is amended effective October 1, 1997 by striking “library not eligible for participation in State-based plans for funds under Title III of the Library Services and Construction Act (20 U.S.C 335c)” and inserting “library or library consortia not eligible for assistance under State library administrative agency applications for the Library Services and Technology Act [____ appropriate U.S.C reference].”

(f) Remove brackets lines 21/22; retain language.

(g) Should read: “The Secretary of Education shall expend or transfer such funds as necessary to ensure the orderly transition of responsibilities from the Office of Educational Research and Improvement in the Department of Education to the Institute of Museum and Library Services pursuant to the Museum and Library Services Act, and in no event shall these funds be less that $200,000.” Note: this must be new administrative money.

Sec. 307. Strike entire section as per Sen Jeffords.
TITLE III—MUSEUMS AND LIBRARIES

SEC. 301. MUSEUM AND LIBRARY SERVICES.
The Museum Services Act (20 U.S.C. 961 et seq.) is amended to read as follows:

"TITLE II—MUSEUM AND LIBRARY SERVICES

"Subtitle A—General Provisions

"SEC. 201. SHORT TITLE.

"This title may be cited as the 'Museum and Library Services Act'.

"SEC. 202. GENERAL DEFINITIONS.

"As used in this title:

"(1) COMMISSION.—The term 'Commission' means the National Commission on Libraries and Information Science established under [section 3 of the National Commission on Libraries and Information Sciences Act (20 U.S.C. 1502)].

"(2) DIRECTOR.—The term 'Director' means the Director of the Institute appointed under section 204.

"(3) INSTITUTE.—The term 'Institute' means the Institute of Museum and Library Services established under section 203.
“(4) MUSEUM BOARD.—The term ‘Museum Board’ means the National Museum Services Board established under section 275.

“SEC. 203. INSTITUTE OF MUSEUM AND LIBRARY SERVICES.

“(a) ESTABLISHMENT.—There is established, within the National Foundation on the Arts and the Humanities, an Institute of Museum and Library Services.

“(b) OFFICES.—The Institute shall consist of an Office of Museum Services and an Office of Library Services.

There shall be a National Museum Services Board in the Office of Museum Services.

“SEC. 204. DIRECTOR OF THE INSTITUTE.

“(a) APPOINTMENT.—

“(1) IN GENERAL.—The Institute shall be headed by a Director, appointed by the President, by and with the advice and consent of the Senate.

“(2) TERM.—The Director shall serve for a term of 4 years.

“(3) QUALIFICATIONS.—Beginning with the first individual appointed to the position of Director after the date of enactment of this Act, every second individual so appointed shall be appointed from among individuals who have special competence with regard to library and information services. Beginning with the second individual appointed to the po-
sition of Director after the date of enactment of this
Act, every second individual so appointed shall be
appointed from among individuals who have special
competence with regard to museum services.

“(b) COMPENSATION.—The Director shall be com-
pensated at the rate provided for level III of the Executive
Schedule under section 5314 of title 5, United States
Code.

“(c) DUTIES AND POWERS.—The Director shall per-
form such duties and exercise such powers as may be pre-
scribed by law, including awarding financial assistance for
activities described in this title.

“(d) NONDELEGATION.—The Director shall not dele-
gate any of the functions of the Director [to any person
who is not directly responsible to the Director] [to any
person who is not an officer or employee of the Insti-
tute?].

“(e) COORDINATION.—The Director shall ensure co-
ordination of the policies and activities of the Institute
with the policies and activities of other agencies and of-
files of the Federal Government having interest in and
responsibilities for the improvement of museums and li-
braries and information services.
"SEC. 205. DEPUTY DIRECTORS.

(a) APPOINTMENT.—The Office of Library Services shall be headed by a Deputy Director, who shall be appointed by the Director from among individuals who have a graduate degree in library science and expertise in library and information services. The Office of Museum Services shall be headed by a Deputy Director, who shall be appointed by the Director from among individuals who have expertise in museum services.

(b) COMPENSATION.—Each such position of Deputy Director shall be a Senior Executive Service position, which shall be paid at a rate of pay for a position at ES-1 of the Senior Executive Service Schedule established under section 5382 of title 5, United States Code.

"SEC. 206. PERSONNEL.

(a) IN GENERAL.—The Director may, in accordance with applicable provisions of title 5, United States Code, appoint and determine the compensation of such employees as the Director determines to be necessary to carry out the duties of the Institute.

(b) VOLUNTARY SERVICES.—The Director may accept and utilize the voluntary services of individuals and reimburse the individuals for travel expenses, including per diem in lieu of subsistence, in the same amounts and to the same extent as authorized under section 5703 of
title 5, United States Code, for persons employed intermittently in Federal Government service.

"SEC. 207. CONTRIBUTIONS.

"The Institute shall have authority to solicit, accept, receive, and invest in the name of the United States, gifts, bequests, or devises of money and other property or services and to use such property or services in furtherance of the functions of the Institute. Any proceeds from such gifts, bequests, or devises, after acceptance by the Institute, shall be paid by the donor or the representative of the donor to the Director. The Director shall enter the proceeds in a special-interest bearing account to the credit of the Institute for the purposes in each case specified.

"Subtitle B—Library Services and Technology

"SEC. 211. SHORT TITLE.

"This subtitle may be cited as the ‘Library Services and Technology Act’.

"SEC. 212. STATEMENT OF PURPOSE; RECOGNITION OF NEED.

"(a) STATEMENT OF PURPOSE.—The purposes of this subtitle are as follows:

"(1) To consolidate Federal library service programs.
“(2) To stimulate excellence and promote access to learning and information resources in all types of libraries for individuals of all ages.

“(3) To promote library services that provide all users access to information through State, regional, national and international electronic networks.

“(4) To provide linkages among and between libraries and one-stop career center systems.

“(5) To promote targeted library services to people of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to people with limited functional literacy or information skills.

“(b) RECOGNITION OF NEED.—The Congress recognizes that strong library services are essential to empower people to succeed in our Nation’s increasingly global and technological environment.

“SEC. 213. DEFINITIONS.

“As used in this subtitle:

“(1) INDIAN TRIBE.—The term ‘Indian tribe’ means any tribe, band, nation, or other organized group or community, including any Alaska native village, regional corporation, or village corporation, as defined in or established pursuant to the Alaska
Native Claims Settlement Act (43 U.S.C. 1601 et seq.), which is recognized by the Secretary of the Interior as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

"(2) LIBRARY.—The term ‘library’ includes—

"(A) a public library;

"(B) a public elementary school or secondary school library;

"(C) an academic library;

"(D) a research library, which for the purposes of this subtitle means a library that—

"(i) makes publicly available library services and materials suitable for scholarly research and not otherwise available to the public; and

"(ii) is not an integral part of an institution of higher education; and

"(E) a private library, but only if the State in which such private library is located determines that the library should be considered a library for purposes of this subtitle.

"(3) LIBRARY CONSORTIA.—The term ‘library consortia’ means any local, statewide, regional, interstate, or international cooperative association of li-
Library entities which provides for the systematic and effective coordination of the resources of school, public, academic, and special libraries and information centers, for improved services for the clientele of such library entities.

"(4) STATE.—The term ‘State’, unless otherwise specified, includes each of the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

"(5) STATE LIBRARY ADMINISTRATIVE AGENCY.—The term ‘State library administrative agency’ means the official agency of a State charged by the law of the State with the extension and development of public library services throughout the State.

"(6) STATE PLAN.—The term ‘State plan’ means the document which gives assurances that the officially designated State library administrative agency has the fiscal and legal authority and capability to administer all aspects of this subtitle, provides assurances for establishing the State’s policies,
priorities, criteria, and procedures necessary to the implementation of all programs under this subtitle, submits copies for approval as required by regulations promulgated by the Director, identifies a State's library needs, and sets forth the activities to be taken toward meeting the identified needs [supported?] with the assistance of Federal funds made available under this subtitle.

"SEC. 214. AUTHORIZATION OF APPROPRIATIONS."

"(a) Authorization of Appropriations.—

"(1) In General.—There are authorized to be appropriated to carry out this subtitle $150,000,000 for fiscal year 1997 and such sums as may be necessary for each of the fiscal years 1998 through 2002.

"(2) Transfer.—The Secretary of Education shall transfer any funds appropriated under the authority of paragraph (1) to the Director to enable the Director to carry out this subtitle.

"(b) Forward Funding of Library Programs.—

"(1) In General.—Notwithstanding any other provision of law, funds appropriated in any fiscal year to carry out activities under this subtitle shall be available for obligation on July 1 of such fiscal..."
year and shall remain available for obligation until
the end of the succeeding fiscal year. The terms of
this subparagraph shall only be effective if specifi-
cally provided for in the subsequent appropriations
to carry out this subtitle.

"(2) ADDITIONAL AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to
be appropriated under [subsection (a)(1)] there are
authorized to be appropriated such additional
amounts as may be necessary for the fiscal year pre-
ceeding the first year in which appropriations are
made available under [subsection (a)(1)]. [Do you
want the boiler plate forward funding language? See
section 420 of GEPA.]

"(d) ADMINISTRATION.—Not more than 3 percent of
the funds appropriated under this section for a fiscal year
may be used to pay for the Federal administrative costs
of carrying out this subtitle.

"CHAPTER 1—BASIC PROGRAM
REQUIREMENTS

"SEC. 221. RESERVATIONS AND ALLOTMENTS.

"(a) RESERVATIONS.—From the amount appro-
priated under the authority of section 214(a)(1) for any
fiscal year, the Director— [What about funds appro-
priated under 214(b)(2)?]
(e) Availability of Appropriations.--Notwithstanding any other provision of law, unless enacted in specific limitation of the provisions of this subsection, any funds from appropriations to carry out any programs under this subtitle during any fiscal year which are not obligated and expended by State library administrative agencies or other entities receiving grants prior to the beginning of the fiscal year succeeding the fiscal year for which such funds were appropriated shall remain available for obligation and expenditure by such agencies and entities during such succeeding fiscal year.
“(1) shall reserve $1\frac{1}{2}$ percent to award grants in accordance with section 261; and
“(2) shall reserve 4 percent to award national leadership grants in accordance with section 262.

“(b) ALLOTMENTS.—
“(1) IN GENERAL.—From the sums appropriated under the authority of section 214(a)(1) and not reserved under subsection (a) for any fiscal year, the Director shall award grants from minimum allotments, as determined under paragraph (4), to each State. Any sums remaining after minimum allotments are made for such year shall be allotted in the manner set forth in paragraph (2).
“(2) REMAINDER.—From the remainder of any sums appropriated under the authority of section 214(a)(1) that are not reserved under subsection (a) and not allotted under paragraph (1) for any fiscal year, the Director shall award grants to each State in an amount that bears the same relation to such remainder as the population of the State bears to the population of all States.

“(3) SPECIAL RULE.—If the funds have not been obligated by the end of the fiscal year, funds are to be reallocated to the States under the prescribed formula and may be carried over by the
State for use in the next fiscal year. [What does this mean?]

"(4) Minimum allotment:—

"(A) In general.—For the purposes of this subsection, the minimum allotment for each State shall be [[$200,000]], except that the minimum allotment shall be $40,000 in the case of the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

"(B) Ratable reductions.—If the sum appropriated under the authority of section 214(a)(1) and not reserved under subsection (a) for any fiscal year is insufficient to fully satisfy the aggregate of the minimum allotments for all States for that purpose for such year, each of such minimum allotments shall be reduced ratably.

"(C) Special rule.—

"(i) In general.—Of the allotments [reserved] for the [Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau,] the
Director shall make a grant to the Pacific Region Educational Laboratory in Honolulu, Hawaii, to make grants consistent with the provisions of this subtitle for Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau. The eligibility of the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau for assistance under this Act shall terminate as of September 30, 2001. [1 year early termination?] [What is the policy here?]

"(ii) LIMITATION.—The Pacific Region Educational Laboratory may use not more than 5 percent of the funds received pursuant to the Special Rule for administrative costs.

"(5) DATA.—The population of each State and of all the States shall be determined by the Director on the basis of the most recent data available from the Bureau of the Census.
"SEC. 222. ADMINISTRATION.

"(a) IN GENERAL.—Not more than 4 percent of the total funds received under this subtitle for any fiscal year by a State may be used for administrative costs. [What about entities receiving funds through Pacific Region Educational Lab?]

"(b) CONSTRUCTION.—Nothing in this section shall be construed to limit spending for evaluation costs under section 224(c) from sources other than this subtitle.

"SEC. 223. PAYMENTS; FEDERAL SHARE; AND MAINTENANCE OF EFFORT REQUIREMENTS.

"(a) PAYMENTS.—The Director shall pay to each State library administrative agency having a State plan approved under section 224 the Federal share of the cost of the activities described in the State plan.

"(b) FEDERAL SHARE.—

"(1) IN GENERAL.—The Federal share shall be 66 percent.

"(2) NON-FEDERAL SHARE.—The non-Federal share of payments shall be provided from non-Federal, State, or local sources.

"(c) MAINTENANCE OF EFFORT.—

"(1) REQUIREMENT.—

"(A) IN GENERAL.—The amount otherwise payable to a State for a fiscal year under [chapter 2] [minimum allotment?] shall be re-
duced if the level of State expenditures, as described in paragraph (2), for the previous fiscal year is less than the average of the total of such expenditures for the 3 fiscal years preceding that previous fiscal year. [The amount of the reduction in allotment for any fiscal year shall be in exact proportion to the amount which the State fails to meet the requirement of this subsection.]

"(B) DECREASE IN FEDERAL SUPPORT.—
If the amount made available under this subtitle for a fiscal year is less than the amount made available under this subtitle for the preceding fiscal year, then the expenditures required by subparagraph (A) for such preceding fiscal year shall be decreased by the same percentage as the percentage decrease in the amount so made available. [Note: This rule may have unintended consequences in the second and third outyears relevant to the 3-year averaging required by subparagraph (A).]

"(2) LEVEL OF STATE EXPENDITURES.—The level of State expenditures for the purposes of paragraph (1) shall include all State dollars expended by the State library administrative agency for library
programs that are consistent with the purposes of this subtitle. All funds included in the maintenance of effort calculation under this subsection shall be expended during the fiscal year for which the determination is made, and shall not include capital expenditures, special one-time project costs, or similar windfalls.

“(3) WAIVER.—The Director may waive the requirements of paragraph (1) if the Director determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

“SEC. 224. STATE PLANS.

“(a) STATE PLAN REQUIRED.—

“(1) IN GENERAL.—In order to be eligible to receive a grant under this subtitle, a State library administrative agency shall submit a State plan to the Director not later than April 1, 1997.

“(2) DURATION.—The State plan shall cover a period of 5 fiscal years.

“(3) REVISIONS.—If a State library administrative agency makes a substantive revision to its State plan, then the State library administrative agency shall submit to the Director an amendment to the
State plan containing such revision not later than April 1 of the fiscal year preceding the fiscal year for which the amendment will be effective.

"(b) CONTENTS.—The State plan shall—

"(1) establish goals, and specify priorities, for the State consistent with the purposes of this subtitle;

"(2) describe activities that are consistent with the goals and priorities established under paragraph (1), the purposes of this subtitle, and the requirements of section [____], that the State library administrative agency will carry out during such year using such grant;

"(3) describe the procedures that such agency will use to carry out the activities described in paragraph (2);

"(4) describe the methodology that such agency will use to evaluate the success of the activities established under paragraph (2) in achieving the goals and meeting the priorities described in paragraph (1);

"(5) describe the procedures that such agency will use to involve libraries and library users throughout the State in policy decisions regarding implementation of this subtitle; and
“(6) provide assurances satisfactory to the Director that such agency will make such reports, in such form and containing such information, as the Director may reasonably require to carry out this subtitle and to determine the extent to which funds provided under this subtitle have been effective in carrying out the purposes of this subtitle.

“(c) EVALUATION AND REPORT.—Each State [library administrative agency?] receiving a grant under this subtitle shall independently evaluate, and report [to whom? about what?] prior to the end of the 5-year plan, the activities assisted under this subtitle.

“(d) INFORMATION.—Each public library receiving assistance under this subtitle shall submit to the State library administrative agency such information as such agency [may require] [determines necessary?] to [meet the requirements of] [carry out the evaluation and reporting requirements described in?] subsection (c).

“(e) APPROVAL.—

“(1) IN GENERAL.—The Director shall approve any State plan under this subtitle that meets the requirements of this subtitle and provides satisfactory assurances that the provisions of such plan will be carried out.
“(2) PUBLIC AVAILABILITY.—Each State library administrative agency receiving a grant under this subtitle shall make the State plan available to the public.

“(3) ADMINISTRATION.—If the Director determines that the State plan does not meet the requirements of this section, the Director shall—

“(A) immediately notify the State library administrative agency of such determination and the reasons for such determination;

“(B) offer the State library administrative agency the opportunity to revise its State plan;

“(C) provide technical assistance in order to assist the State library administrative agency in meeting the requirements of this section; and

“(D) provide the State library administrative agency the opportunity for a hearing.

“(f) INTERIM APPLICATION.—Notwithstanding any other provision of law, a State library administrative agency that desires to receive a grant under the Library Services and Construction Act (20 U.S.C. 351 et seq.) for the fiscal year beginning October 1, 1996 shall submit [To whom?] an [interim] application. Such application shall describe the initiatives to be undertaken by the State library administrative agency in order to assure a smooth
transition to the activities to be carried out under this sub-
title. The interim application shall include any revisions 
from the annual application submitted for the fiscal year 
beginning October 1, 1997. [What is the relationship 
among this application, an application under the Library 
Services and Construction Act, and the funding for this 
Act and the LSCA?] [This rule might be more appro-
priately placed at the end of the bill in a section address-
ing transition rules.]

"CHAPTER 2—LIBRARY PROGRAMS"

"SEC. 231. GRANTS TO STATES FOR INFORMATION ACCESS 
THROUGH TECHNOLOGY."

"(a) IN GENERAL.—Of the funds provided to a State 
library administrative agency under section 214(a)(1) 
[221(b)?], such agency shall expend, either directly or 
through subgrants or cooperative agreements, at least 96 
percent of such funds for the following purposes:

"(1) To establish or enhance electronic linkages 
among or between libraries, one-stop career center 
systems designated or established under [described 
in?] section [121( )] of the Workforce and Career 
Development Act of 1996, and [local service provid-
ers] receiving grants under paragraphs (1) or (2) of 
section [432(a)], or any combination thereof.
“(2) To target library and information services to persons having difficulty using a library and to underserved urban and rural communities, including children (from birth through age 17) from families living below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

“(b) SPECIAL RULE.—Each State library administrative agency receiving funds under this chapter may apportion the funds available for the purposes described in subsection (a) between the two purposes described in paragraphs (1) and (2) of such subsection, as appropriate, to meet the needs of the individual State.

“CHAPTER 3—ADMINISTRATIVE PROVISIONS

“Subchapter A—State Requirements

“SEC. 251. STATE ADVISORY COUNCILS.

“Each State desiring assistance under this subtitle may establish a State advisory council which is broadly representative of the library entities in the State, including public, school, academic, special, and institutional libraries, and libraries serving individuals with disabilities.
"Subchapter B—Federal Requirements

"SEC. 261. SERVICES FOR INDIAN TRIBES.

(a) GRANTS AUTHORIZED.—From amounts reserved under section 221(a)(1) for any fiscal year the Director shall award grants to organizations primarily serving and representing Indian tribes to enable such organizations to carry out the authorized activities described in subsection (b).

(b) AUTHORIZED ACTIVITIES.—Grant funds awarded under this section may be used for—

(1) inservice or preservice training of Indians as library personnel;

(2) the purchase of library materials;

(3) the conduct of special library programs for Indians;

(4) salaries of library personnel;

(5) transportation to enable Indians to have access to library services;

(6) dissemination of information about library services;

(7) assessment of tribal library needs; and

(8) contracts to provide public library services to Indians living on or near reservations or to ac-
complish any activity described in paragraphs (1) through (7).

“(c) PROHIBITION.—No funds shall be awarded pursuant to this section unless such funds will be administered by a librarian.

“(d) DUPLICATION.—In awarding grants under this section, the Director shall take such actions as may be necessary to prevent the grant funds provided under this section from being received by any 2 or more entities to serve the same population.

“(e) MAINTENANCE OF EFFORT.—Each organization that receives a grant under this section and [supports] a public library system shall continue to expend from Federal sources [(other than funds provided under this Act)], and State and local sources, an amount not less than the amount expended by such organization from such sources for public library services during the second fiscal year preceding the fiscal year for which the determination is made.

“(f) CONSTRUCTION.—Nothing in this section shall be construed to prohibit the dissemination of restricted collections of tribal cultural materials with funds made available under this section.]
"SEC. 262. NATIONAL LEADERSHIP GRANTS.

"(a) IN GENERAL.—From the amounts reserved under section 221(a)(2) for any fiscal year the Director shall establish and carry out a program providing national leadership grants or contracts to enhance the quality of library services nationwide and to provide coordination between libraries and museums. Such grants shall be used for activities that may include—

"(1) education and training of persons in library and information science, particularly in areas of new technology and other critical needs, including graduate fellowships, traineeships, institutes, or other programs;

"(2) research and demonstration projects related to the improvement of libraries, education in library and information science, enhancement of library services through effective and efficient use of new technologies, and dissemination of information derived from such projects;

"(3) preservation or digitization of library materials and resources, giving priority to projects emphasizing coordination, avoidance of duplication, and access by researchers beyond the institution or library entity undertaking the project; and

"(4) model programs demonstrating cooperative efforts between libraries and museums."
“(b) GRANTS OR CONTRACTS.—

“(1) IN GENERAL.—The Director may carry out the activities described in subsection (a) by awarding grants to, or entering into contracts with, libraries, agencies, institutions of higher education, or museums, where appropriate.

“(2) COMPETITIVE BASIS.—Grants and contracts under this section shall be awarded on a competitive basis.

“(c) SPECIAL RULE.—The Director shall make every effort to ensure that activities assisted under this section are administered by appropriate library and museum professionals or experts.

“SEC. 263. STATE AND LOCAL INITIATIVES.

“Nothing in this subtitle shall be construed to interfere with State and local initiatives and responsibility in the conduct of library services. The administration of libraries, the selection of personnel and library books and materials, and insofar as consistent with the purposes of this subtitle, the determination of the best uses of the funds provided under this subtitle, shall be reserved for the States and their local subdivisions.”.

“Subtitle C—Museum Services

“SEC. 271. PURPOSE.

“It is the purpose of this subtitle—
“(1) to encourage and assist museums in their educational role, in conjunction with formal systems of elementary, secondary, and postsecondary education and with programs of nonformal education for all age groups;

“(2) to assist museums in modernizing their methods and facilities so that the museums are better able to conserve the cultural, historic, and scientific heritage of the United States; and

“(3) to ease the financial burden borne by museums as a result of their increasing use by the public.

“SEC. 272. DEFINITIONS.

“As used in this subtitle:

“(1) MUSEUM.—The term ‘museum’ means a public or private nonprofit agency or institution organized on a permanent basis for essentially educational or aesthetic purposes, that utilizes a professional staff, owns or utilizes tangible objects, cares for the tangible objects, and exhibits the tangible objects to the public on a regular basis.

“(2) STATE.—The term ‘State’ means each of the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American
Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

"SEC. 273. MUSEUM SERVICES ACTIVITIES.

"(a) GRANTS.—The Director, subject to the policy direction of the Museum Board, may make grants to museums to pay for the Federal share of the cost of increasing and improving museum services, through such activities as—

"(1) programs that enable museums to construct or install displays, interpretations, and exhibitions in order to improve museum services to the public;

"(2) assisting museums in developing and maintaining professionally trained or otherwise experienced staff to meet the needs of the museums;

"(3) assisting museums in meeting the administrative costs of preserving and maintaining the collections of the museums, exhibiting the collections to the public, and providing educational programs to the public through the use of the collections;

"(4) assisting museums in cooperating with each other in developing traveling exhibitions, meet-
ing transportation costs, and identifying and locating collections available for loan;

“(5) assisting museums in the conservation of their collections;

“(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; and

“(7) model programs demonstrating cooperative efforts between libraries and museums.

“(b) CONTRACTS AND COOPERATIVE AGREEMENTS.—

“(1) PROJECTS TO STRENGTHEN MUSEUM SERVICES.—The Director, subject to the policy direction of the Museum Board, is authorized to enter into contracts and cooperative agreements with appropriate [as determined by whom?] entities to pay for the Federal share of enabling the entities 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) LIMITATION ON AMOUNT.—The aggregate amount of financial assistance made available under this subsection for a fiscal year shall not exceed 15 percent of the amount appropriated under this subtitle for such fiscal year.

"(3) OPERATIONAL EXPENSES.—No financial assistance may be provided under this subsection to pay for operational expenses.

"(c) FEDERAL SHARE.—

"(1) 50 PERCENT.—Except as provided in paragraph (2), the Federal share described in subsections (a) and (b) shall be not more than 50 percent.

"(2) 100 PERCENT.—The Director may use not more than 20 percent of the funds made available under this section for a fiscal year to make grants under subsection (a), or enter into contracts or agreements under subsection (b), for which the Federal share may be 100 percent. [The only choices are a 50 percent or 100 percent Federal share?]

"(d) REVIEW AND EVALUATION.—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.

“SEC. 274. AWARD.

“The Director, with the advice of the Museum Board, may annually award a National Award for Museum Service to outstanding museums that have made significant contributions in service to their communities.

“SEC. 275. NATIONAL MUSEUM SERVICES BOARD.

“(a) ESTABLISHMENT.—There is established in the Institute a National Museum Services Board.

“(b) COMPOSITION AND QUALIFICATIONS.—

“(1) COMPOSITION.—The Museum Board shall consist of the Director and 14 members appointed by the President, by and with the advice and consent of the Senate, and the ex officio, nonvoting member described in paragraph (4).

“(2) QUALIFICATIONS.—The appointive members of the Museum Board shall be selected from among citizens of the United States—

“(A) who are members of the general public;

“(B) who are or have been affiliated with—
“(i) resources that, collectively, are broadly representative of the curatorial, conservation, educational, and cultural resources of the United States; or

“(ii) museums that, collectively, are broadly representative of various types of museums, including museums relating to science, history, technology, and art, zoos, and botanical gardens; and

“(C) who are recognized for their broad knowledge, expertise, or experience in museums or commitment to museums.

“(3) GEOGRAPHIC AND OTHER REPRESENTATION.—Members of the Museum Board shall be appointed to reflect persons from various geographic regions of the United States. The Museum Board may not include, at any time, more than 3 members from a single State. In making such appointments, the President shall give due regard to equitable representation of women, minorities, and persons with disabilities who are involved with museums.

“(4) EX OFFICIO MEMBER.—The Deputy Director of the Office of Museum Services shall serve as an ex officio nonvoting member of the Museum Board.
"(c) TERMS.—

"(1) IN GENERAL.—Each appointive member of the Museum Board shall serve for a term of 5 years, except that—

"(A) of the members first appointed, 3 shall serve for terms of 5 years, 3 shall serve for terms of 4 years, 3 shall serve for terms of 3 years, 3 shall serve for terms of 2 years, and 2 shall serve for terms of 1 year, as designated by the President at the time of nomination for appointment; and

"(B) any member appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed.

"(2) REAPPOINTMENT.—No member of the Museum Board who has been a member for more than 7 consecutive years shall be eligible for reappointment.

"(3) SERVICE UNTIL SUCCESSOR TAKES OFFICE.—Notwithstanding any other provision of this subsection, a member of the Museum Board shall serve after the expiration of the term of the member until the successor to the member takes office.
“(d) DUTIES AND POWERS.—The Museum Board shall have the responsibility to advise the Director on general policies with respect to the duties and powers vested in the Institute relating to museum services, including general policies with respect to—

“(1) financial assistance awarded under this [title] for museum services; and

“(2) projects described in section [204(c)(2)].

“(e) CHAIRPERSON.—The President shall designate 1 of the appointive members of the Museum Board as Chairperson of the Museum Board.

“(f) MEETINGS.—

“(1) IN GENERAL.—The Museum Board shall meet—

“(A) not less than 3 times each year, including—

“(i) not less than 2 times each year separately; and

“(ii) not less than 1 time each year in a joint meeting with the Commission, convened for purposes of making general policies with respect to financial assistance for projects described in section [204(c)(2)]; and

“(B) at the call of the Director.
“(2) VOTE.—All decisions by the Museum Board with respect to the exercise of the duties and powers of the Museum Board shall be made by a majority vote of the members of the Museum Board who are present. All decisions by the Commission and the Museum Board with respect to the policies described in paragraph (1)(A)(ii) shall be made by a 2/3 majority vote of the total number of the members of the Commission and the Museum Board who are present.

“(g) QUORUM.—A majority of the members of the Museum Board shall constitute a quorum for the conduct of business at official meetings of the Museum Board, but a lesser number of members may hold hearings. A majority of the members of the Commission and a majority of the members of the Museum Board shall constitute a quorum for the conduct of business at official joint meetings of the Commission and the Museum Board.

“(h) COMPENSATION AND TRAVEL EXPENSES.—

“(1) COMPENSATION.—Each member of the Museum Board who is not an officer or employee of the Federal Government shall be compensated at a rate to be fixed by the President, but not to exceed the daily equivalent of the maximum rate authorized for a position above grade GS–15 of the General
Schedule under section 5108 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Museum Board. All members of the Museum Board who are officers or employees of the Federal Government shall serve without compensation in addition to compensation received for their services as officers or employees of the Federal Government.

"(2) TRAVEL EXPENSES.—The members of the Museum Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same amounts and to the same extent, as authorized under section 5703 of title 5, United States Code, for persons employed intermittently in Federal Government service.

"(i) COORDINATION.—The Museum Board, with the advice of the Director, shall take steps to ensure that the policies and activities of the Institute are coordinated with other activities of the Federal Government.

"SEC. 276. AUTHORIZATION OF APPROPRIATIONS.

"(a) GRANTS.—For the purpose of carrying out this subtitle, there are authorized to be appropriated to the Director $28,700,000 for the fiscal year 1997, and such
sums as may be necessary for each of the fiscal years 1998 through 2002.

"(b) ADMINISTRATION.—Not more than 10 percent of the funds appropriated under this section for a fiscal year may be used to pay for the administrative costs of carrying out this subtitle.

"(c) Sums Remaining Available.—Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation until expended.”.

SEC. 302. NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE.

(a) FUNCTIONS.—Section 5 of the National Commission on Libraries and Information Science Act (20 U.S.C. 1504) is amended—

(1) by redesignating subsections (b) through (d) as subsections (d) through (f), respectively; and

(2) by inserting after subsection (a) the following:

"(b) The Commission shall have the responsibility to advise the Director of the Institute of Museum and Library Services on general policies with respect to the duties and powers vested in the Institute of Museum and Library Services relating to library services, including—

"(1) general policies with respect to—
"(A) financial assistance awarded under the Museum and Library Services Act for library services; and

"(B) projects described in section 204(c)(2) of such Act; and

"(2) measures to ensure that the policies and activities of the Institute of Museum and Library Services are coordinated with other activities of the Federal Government.

"(c)(1) The Commission shall meet not less than 1 time each year in a joint meeting with the National Museum Services Board, convened for purposes of providing advice on general policy with respect to financial assistance for projects described in section 204(c)(2) of such Act.

"(2) All decisions by the Commission and the National Museum Services Board with respect to the advice on general policy described in paragraph (1) shall be made by a 2/3 majority vote of the total number of the members of the Commission and the National Museum Services Board who are present.

"(3) A majority of the members of the Commission and a majority of the members of the National Museum Services Board shall constitute a quorum for the conduct
of business at official joint meetings of the Commission
and the National Museum Services Board.”.

(b) MEMBERSHIP.—Section 6 of the National Com-
mission on Libraries and Information Science Act (20
U.S.C. 1505) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking “Li-
brarian of Congress” and inserting “Librarian
of Congress, the Director of the Institute of
Museum and Library Services (who shall serve
as an ex officio, nonvoting member),”;

(B) in the second sentence—

(i) by striking “special competence or
interest in” and inserting “special com-
petence in or knowledge of; and

(ii) by inserting before the period the
following: “and at least one other of whom
shall be knowledgeable with respect to the
library and information service and science
needs of the elderly”;

(C) in the third sentence, by inserting “ap-
pointive” before “members”; and

(D) in the last sentence, by striking “term
and at least” and all that follows and inserting
“term.”; and
(2) in subsection (b), by striking "the rate specified" and all that follows through "and while" and inserting "the daily equivalent of the maximum rate authorized for a position above grade GS–15 of the General Schedule under section 5108 of title 5, United States Code, for each day (including travel-time) during which the members are engaged in the business of the Commission. While”.

SEC. 303. TRANSFER OF FUNCTIONS FROM INSTITUTE OF MUSEUM SERVICES.

(a) DEFINITIONS.—For purposes of this section, unless otherwise provided or indicated by the context—

(1) the term “Federal agency” has the meaning given to the term “agency” by section 551(1) of title 5, United States Code;

(2) the term “function” means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(3) the term “office” includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(b) TRANSFER OF FUNCTIONS FROM THE INSTITUTE OF MUSEUM SERVICES AND THE LIBRARY PROGRAM OFFICE.—There are transferred to the Director of the Insti-
tute of Museum and Library Services established under section 203 of the Museum and Library Services Act—

(1) all functions that the Director of the Institute of Museum Services exercised before the date of enactment of this section (including all related functions of any officer or employee of the Institute of Museum Services); and

(2) all functions that the Director of Library Programs in the Office of Educational Research and Improvement in the Department of Education exercised before the date of enactment of this section and any related function of any officer or employee of the Department of Education.

(c) DETERMINATIONS OF CERTAIN FUNCTIONS BY THE OFFICE OF MANAGEMENT AND BUDGET.—If necessary, the Office of Management and Budget shall make any determination of the functions that are transferred under subsection (b).

(d) DELEGATION AND ASSIGNMENT.—Except where otherwise expressly prohibited by law or otherwise provided by this section, the Director of the Institute of Museum and Library Services may delegate any of the functions transferred to the Director of the Institute of Museum and Library Services by this section and any function transferred or granted to such Director of the Insti-
tute of Museum and Library Services after the effective
date of this section to such officers and employees of the
Institute of Museum and Library Services as the Director
of the Institute of Museum and Library Services may des-
ignate, and may authorize successive redelegations of such
functions as may be necessary or appropriate except that
delegation of program authority shall be made in ac­
cordance with the purposes of section 205. No delega-
tion of functions by the Director of the Institute of Mu-
seum and Library Services under this section or under any
other provision of this section shall relieve such Director
of the Institute of Museum and Library Services of re­
sponsibility for the administration of such functions.

(e) REORGANIZATION.—The Director of the Institute
of Museum and Library Services may allocate or reallocate
any function transferred under subsection (b) among the
officers of the Institute of Museum and Library Services,
and may establish, consolidate, alter, or discontinue such
organizational entities in the Institute of Museum and Li-
brary Services as may be necessary or appropriate.

(f) RULES.—The Director of the Institute of Museum
and Library Services may prescribe, in accordance with
chapters 5 and 6 of title 5, United States Code, such rules
and regulations as the Director of the Institute of Museum
and Library Services determines to be necessary or appro-
priate to administer and manage the functions of the Institute of Museum and Library Services.

(g) **Transfer and Allocations of Appropriations and Personnel.**—Except as otherwise provided in this section, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this section, subject to section 1531 of title 31, United States Code, shall be transferred to the Institute of Museum and Library Services. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(h) **Incidental Transfers.**—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions transferred by this section, and make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be nec-
necessary to carry out this section. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this section and for such further measures and dispositions as may be necessary to effectuate the purposes of this section.

(i) **EFFECT ON PERSONNEL.** —

(1) **IN GENERAL.** — Except as otherwise provided by this section, the transfer pursuant to this section of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for 1 year after the date of transfer of such employee under this section.

(2) **EXECUTIVE SCHEDULE POSITIONS.** — Except as otherwise provided in this section, any person who, on the day preceding the effective date of this section, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Institute of Museum and Library Services to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to
be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(j) Savings Provisions.—

(1) Continuing effect of legal documents.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(A) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official of a Federal agency, or by a court of competent jurisdiction, in the performance of functions that are transferred under this section; and

(B) that were in effect before the effective date of this section, or were final before the effective date of this section and are to become effective on or after the effective date of this section;

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Director of the Institute of Museum and Library
Services or other authorized official, a court of competent jurisdiction, or by operation of law.

(2) PROCEEDINGS NOT AFFECTED.—This section shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the Institute of Museum Services on the effective date of this section, with respect to functions transferred by this section. Such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken from the orders, and payments shall be made pursuant to the orders, as if this section had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this paragraph shall be construed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(3) SUITS NOT AFFECTED.—This section shall not affect suits commenced before the effective date
of this section, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section had not been enacted.

(4) Nonabatement of Actions.—No suit, action, or other proceeding commenced by or against the Institute of Museum Services, or by or against any individual in the official capacity of such individual as an officer of the Institute of Museum Services, shall abate by reason of the enactment of this section.

(5) Administrative Actions Relating to Promulgation of Regulations.—Any administrative action relating to the preparation or promulgation of a regulation by the Institute of Museum Services relating to a function transferred under this section may be continued by the Institute of Museum and Library Services with the same effect as if this section had not been enacted.

(k) Transition.—The Director of the Institute of Museum and Library Services may utilize—

(1) the services of such officers, employees, and other personnel of the Institute of Museum Services with respect to functions transferred to the Institute of Museum and Library Services by this section; and
(2) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of this section.

(1) REFERENCES.—A reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or relating to—

(1) the Director of the Institute of Museum Services with regard to functions transferred under subsection (b), shall be deemed to refer to the Director of the Institute of Museum and Library Services; and

(2) the Institute of Museum Services with regard to functions transferred under subsection (b), shall be deemed to refer to the Institute of Museum and Library Services.

(m) ADDITIONAL CONFORMING AMENDMENTS.—

(1) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Director of the Institute of Museum and Library Services shall prepare and submit to the appropriate committees of Congress recommended legislation containing technical and conforming amendments to reflect the changes made by this section.
DISCUSSION DRAFT

(2) Submission to Congress.—Not later than 6 months after the effective date of this section, the Director of the Institute of Museum and Library Services shall submit to the appropriate committees of Congress the recommended legislation referred to under paragraph (1).

SEC. 304. SERVICE OF INDIVIDUALS SERVING ON DATE OF ENACTMENT.

Notwithstanding section 204 of the Museum and Library Services Act, the individual who was appointed to the position of Director of the Institute of Museum Services under section 205 of the Museum Services Act (as such section was in effect on the day before the date of enactment of this Act) and who is serving in such position on the day before the date of enactment of this Act shall serve as the first Director of the Institute of Museum and Library Services under section 204 of the Museum and Library Services Act (as added by section 301 of this title), and shall serve at the pleasure of the President.

SEC. 305. CONSIDERATION.

Consistent with title 5, United States Code, in appointing employees of the Office of Library Services, the Director of the Institute of Museum and Library Services shall give strong consideration to individuals with experi-
ence in administering State-based and national library and
information services programs.

SEC. [1306.] REPEALS AND TECHNICAL AND CONFORMING
AMENDMENTS.

(a) REPEALS.—

(1) LIBRARY SERVICES AND CONSTRUCTION
ACT.—

(A) IN GENERAL.—The Library Services and Construction Act (20 U.S.C. 351 et seq.) is repealed.


(2) HIGHER EDUCATION ACT OF 1965.—Title II of the Higher Education Act of 1965 (20 U.S.C. 1021 et seq.) is repealed.

(b) REFERENCES TO LIBRARY SERVICES AND CONSTRUCTION ACT.—

(1) OMNIBUS EDUCATION RECONCILIATION ACT

of 1981.—Section 528 of the Omnibus Education
Reconciliation Act of 1981 (20 U.S.C. 3489) is amended—

(A) by striking paragraph (12); and

(B) by redesignating paragraphs (13) through (15) as paragraphs (12) through (14), respectively.

(2) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—Section 3113(10) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6813(10)) is amended by striking “section 3 of the Library Services and Construction Act” and inserting “section [213(7)] of the Library Services and Technology Act”.


(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively.

(4) APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965.—Section 214(c) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.
214(c)) is amended by striking "Library Services and Construction Act;".

(5) Demonstration Cities and Metropolitan Development Act of 1966.—Section 208(2) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3338(2)) is amended by striking "title II of the Library Services and Construction Act;".

(6) Public Law 87–688.—Subsection (c) of the first section of the Act entitled "An Act to extend the application of certain laws to American Samoa", approved September 25, 1962 (48 U.S.C. 1666(c)) is amended by striking "the Library Services Act (70 Stat. 293; 20 U.S.C. 351 et seq.),".

(c) References to Institute of Museum Services.—

(1) Title 5, United States Code.—Section 5315 of title 5, United States Code, is amended by striking the following:

"Director of the Institute of Museum Services."

and inserting the following:

"Director of the Institute of Museum and Library Services.".

(2) Department of Education Organization Act.—Section 301 of the Department of Ed-
Education Organization Act (20 U.S.C. 3441) is amended—

(A) in subsection (a)—

(i) by striking paragraph (5); and

(ii) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(B) in subsection (b)—

(i) by striking paragraph (4); and

(ii) by redesignating paragraphs (5) through (7) as paragraphs (4) through (6), respectively.

(3) Elementary and Secondary Education Act of 1965.—

(A) Sections 2101(b), 2205(e)(1)(D), 2208(d)(1)(H)(v), and 2209(b)(1)(C)(vi), and subsections (d)(6) and (e)(2) of section 10401 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6621(b), 6645(c)(1)(D), 6648(d)(1)(H)(v), 6649(b)(1)(C)(vi), and 8091 (d)(6) and (e)(2)) are amended by striking “the Institute of Museum Services” and inserting “the Institute of Museum and Library Services”.

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(B) Section 10412(b) of such Act (20 U.S.C. 8102(b)) is amended—

(i) in paragraph (2), by striking “the Director of the Institute of Museum Services,” and inserting “the Director of the Institute of Museum and Library Services,”; and

(ii) in paragraph (7), by striking “the Director of the Institute of Museum Services,” and inserting “the Director of the Institute of Museum and Library Services,”.

(C) Section 10414(a)(2)(B) of such Act (20 U.S.C. 8104(a)(2)(B)) is amended by striking clause (iii) and inserting the following new clause:

“(iii) the Institute of Museum and Library Services.”.

(d) REFERENCES TO HIGHER EDUCATION ACT OF 1965.—

(1) HIGHER EDUCATION ACT OF 1965.—Paragraph (2) of section 356(b) of the Higher Education Act of 1965 (20 U.S.C. 1069b(b)) is amended by striking “II,”.

(e) References to Office of Libraries and Learning Resources.—

(1) Education Amendments of 1974.—Section 519 of the Education Amendments of 1974 (20 U.S.C. 1221i) is repealed.

(2) Department of Education Organization Act.—Section 413(b)(1) of the Department of Education Organization Act (20 U.S.C. 3473(b)(1)) is amended—

(A) by striking subparagraph (H); and

(B) by redesignating subparagraphs (I) through (M) as subparagraphs (H) through (L), respectively.

(f) Transition.—The Director of the Office of Management and Budget shall take appropriate measures to ensure an orderly transition from the activities previously administered by the [Director of Library Programs in the Office of Educational Research and Improvement in the] Department of Education to the activities administered by the Institute for Museum and Library Services under this
Such measures may include the transfer of appropriated funds. 

(g) CERTAIN AUTHORIZATION OF APPROPRIATIONS.—The Secretary shall expend or transfer such funds [as appropriated pursuant to this authorization] that are necessary to ensure the orderly transition of responsibilities from [ ] to the Institute of Museum and Library Services pursuant to the Museum and Library Services Act, and in no event be less than $200,000.

SEC. 307. ARTS AND ARTIFACTS.

[NOTE: Hold]

The Arts and Artifacts Indemnity Act (20 U.S.C. 971 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Arts and Artifacts Indemnity Act'.

"SEC. 2. INDEMNITY FOR EXHIBITIONS OF ARTS AND ARTIFACTS.

"The Director of the Institute of Museums and Library Services (hereafter in this Act referred to as the "Director") may enter into agreements to indemnify against loss or damage such items as may be eligible for such indemnity agreements under section 3—
“(1) in accordance with the provisions of this Act; and
“(2) on such terms and conditions as the Director shall prescribe, by regulation, in order to achieve the objectives of this Act and, consistent with such objectives, to protect the financial interest of the United States.

“SEC. 3. ELIGIBLE ITEMS.
“(a) TYPES OF ITEMS.—The Director may enter into an indemnity agreement under section 2 with respect to items—
“(1) that are—
“(A) works of art, including tapestries, paintings, sculpture, folk art, and graphics and craft arts;
“(B) manuscripts, rare documents, books, or other printed or published materials;
“(C) other artifacts or objects; or
“(D) photographs, motion pictures, or audio and video tape;
“(2) that are of educational, cultural, historical, or scientific value; and
“(3) the exhibition of which is certified (where appropriate) by the Secretary of State or the des-
ignee of the Secretary of State as being in the national interest.

“(b) ITEMS ON EXHIBITION.—

“(1) SCOPE.—An indemnity agreement made under this Act shall cover eligible items while on exhibition, generally when the items are part of an exchange of exhibitions. An item described in subsection (a) that is part of an exhibition that originates either in the United States or outside the United States and that is touring the United States shall be considered to be an eligible item.

“(2) DEFINITION.—For purposes of this subsection, the term ‘on exhibition’ includes the period of time beginning on the date the eligible items leave the premises of the lender or place designated by the lender and ending on the date such items are returned to the premises of the lender or place designated by the lender.

“SEC. 4. APPLICATIONS.

“(a) IN GENERAL.—Any person, nonprofit agency, institution, or government desiring to enter into an indemnity agreement for eligible items under this Act shall submit an application to the Director at such time, in such manner and in accordance with such procedures, as the Director shall, by regulation, prescribe.
“(b) CONTENTS.—An application submitted under subsection (a) shall—

“(1) describe each item to be covered by the agreement (including an estimated value of such item);

“(2) show evidence that the item is an item described in section 3(a); and

“(3) set forth policies, procedures, techniques, and methods with respect to preparation for, and conduct of, exhibition of the item, and any transportation related to such item.

“(c) APPROVAL.—On receipt of an application under this section, the Director shall review the application as described in section 5 and, if the Director agrees with the estimated value described in the application and if such application conforms with the requirements of this Act, approve the application and enter into an indemnity agreement with the applicant under section 2. On such approval, the agreement shall constitute a contract between the Director and the applicant pledging the full faith and credit of the United States to pay any amount for which the Director becomes liable under such agreement. The Director, for such purpose, is authorized to pledge the full faith and credit of the United States.
“SEC. 5. INDEMNITY AGREEMENT.

“(a) Review.—On receipt of an application meeting the requirements of subsections (a) and (b) of section 4, the Director shall review the estimated value of the items for which coverage by an indemnity agreement is sought.

“(b) Aggregate Amount of Loss or Damage.—The aggregate amount of loss or damage covered by indemnity agreements made under this Act shall not exceed $3,000,000,000, at any one time.

“(c) Individual Amount of Loss or Damage.—No indemnity agreement for a single exhibition shall cover loss or damage in excess of $300,000,000.

“(d) Extent of Coverage.—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 the 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 the items covered;

“(3) not less than $10,000,000 but less than $125,000,000, then coverage under this Act shall ex-
tend only to loss or damage in excess of the first $50,000 of loss or damage to the items covered;

"(4) not less than $125,000,000 but less than $200,000,000, then coverage under this Act shall extend only to loss or damage in excess of the first $100,000 of loss or damage to the items covered; or

"(5) $200,000,000 or more, then coverage under this Act shall extend only to loss or damage in excess of the first $200,000 of loss or damage to the items covered.

"SEC. 6. REGULATIONS AND CERTIFICATION.

"(a) REGULATIONS.—The Director shall prescribe regulations providing for prompt adjustment of valid claims for loss or damage to items that are covered by an agreement entered into pursuant to section 2, including provision for arbitration of issues relating to the dollar value of damages involving less than total loss or destruction of such covered items.

"(b) CERTIFICATION.—In the case of a claim of loss or damage with respect to an item that is covered by an agreement entered into pursuant to section 2, the Director shall certify the validity of the claim and the amount of the loss to the Speaker of the House of Representatives and the President pro tempore of the Senate.
"SEC. 7. REPORT."

"The Director shall prepare, and submit at the end of each fiscal year to the appropriate committees of Congress, a report containing information on—

"(1) all claims paid pursuant to this Act during such year;

"(2) pending claims against the Director under this Act as of the end of such year; and

"(3) the aggregate face value of contracts entered into by the Director that are outstanding at the end of such year.

"SEC. 8. AUTHORIZATION OF APPROPRIATIONS."

"There are authorized to be appropriated such sums as may be necessary—

"(1) to enable the Director to carry out the functions of the Director under this Act; and

"(2) to pay claims certified pursuant to section 6(b)."