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NATIONAL
ENDOWMENT
FOR
THE ARTS

WASHINGTON
D.C. 20506



A Federal agency advised by the
National Council on the Arts

November 22, 1976

M E M O R A N D U M

TO: Honorable John O. Marsh, Jr.
Counselor to the President

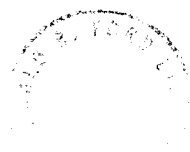
FROM: Nancy Hanks
Chairman
National Council on the Arts
National Endowment for the Arts

RE: Transition Memo

Attached, per your request, is a statement which provides a brief over-view of the Arts Endowment. Enclosed with the statement you will find additional materials relating to the Endowment and the National Council on the Arts.

We would be happy to provide any additional information you might need.

Attachments



November 22, 1976

NATIONAL ENDOWMENT FOR THE ARTS

In recognition of the great value to the public of the country's arts, artists and cultural institutions, the National Endowment for the Arts was established in 1965 to undertake programs helping to strengthen the arts professionally and to ensure that American life is enriched by their aesthetic, intellectual, social, spiritual and other practical contributions. The intent of the Congress and the President was to create an independent bipartisan agency that would work, without government bureaucratization or control, to increase the availability of the arts to all citizens, develop our cultural resources, and advance our cultural legacy. The Endowment was to be advised by a Presidentially-appointed National Council on the Arts, composed of twenty-six persons nationally recognized for their achievements in or services to the arts, whose Chairman would also serve as the Endowment's chief executive.

The Endowment's first decade has coincided with a surge of cultural interests among our people. Initiated by the younger generation, this trend has now encompassed all, and springs from every part of the country. It has become a means for asserting the identities of the many cultures represented in America and for shaping a diverse new American cultural identity. It has brought well-warranted respect to the country's folk arts and crafts traditions. It has enlivened all of the established arts.

The past decade has been witness to remarkable growth in the quality and number of cultural institutions throughout the country. In 1965, there were 58 professional symphony orchestras; today there are 110. Professional opera companies have expanded from 27 to 45; professional dance companies from 37 to 157. There are now 145 professional theatres, as against 23 a decade ago; forty regional media centers, as against one. Museums, traditionally the most extensively developed of our cultural institutions, grew substantially in size and increased in number from 1700 to 1880 over this period. In literature, the number of small literary magazines advanced from 450 to 700, and independent presses from 200 to 350.

The people's desire to experience and participate in the arts is also revealed by their support of state and local action to make the arts more widely available. A decade ago, only a dozen states and 175 communities had art agencies. Now they exist in all of the states, five territories and more than 1,000 communities. The prospect of Endowment annual bloc grants to all states and territories were an important stimulus to the creation of state arts agencies, whose total budgets in Fiscal Year 1975 were \$59 million. These continuing grants are an important incentive to the establishment and development of sound programs.

In further corroboration of this public interest, a major 1975 study of public attitudes toward the arts conducted by Louis Harris found that more than 90% felt the arts to be essential to the quality of life for themselves and their children. Similar expressions have been made in resolutions of the National Association of Counties, National Governors Conference, National League of Cities and U.S. Conference of Mayors.

The Arts Endowment has had a key role in providing a national focus for these developments. Listening to the popular voice, it has created opportunities for the fulfillment of public desires and needs:

- o With respect to the arts, themselves, it has helped leaders in the various fields come together, shape responsive plans and implement effective programs.
- o As expanding resources have permitted, it has moved into a widening range of cultural areas and assisted in the development of new centers of excellence in the arts in various geographic regions.
- o It has encouraged innovative methods of bringing cultural opportunities to a larger audience and fostered more energetic grass roots arts programming.

- o Working as an advocate within the Federal government, it has stimulated other departments and agencies to use the arts more effectively in such areas as architecture, graphic design, public art and education.

Throughout, stress is given to professional quality and artistic independence as essential to cultural experience worthy of the American people.

Critical to the Endowment's work has been its ability to draw on the talents of the best professional leadership in the arts. Through the years, the National Council and its policy review panels have included a great many of our finest artists and cultural leaders in every artistic field from all parts of the country. In the aggregate, they constitute a continuing representative national forum about and in behalf of the arts in America.

Also vital are the Endowment's matching requirements for its grants, which bring additional non-Federal resources to the arts. Overall, each Endowment dollar generates three to four other dollars in the support of particular projects. In the case of major institutions, Endowment grants generally provide somewhere between .5% and 8% of their total budgets. Largely because of this catalytic effect, the past decade has seen the development of a unique partnership in arts funding, involving all levels of government and the private

sector--most notably, foundations, corporations and a wide range of individuals.

The Endowment's program budget has mounted in response to popular understanding and need. It grew from \$2.5 million in Fiscal Year 1966 to \$8.2 million in Fiscal Year 1970. Major annual increments were added from Fiscal Year 1971 through Fiscal Year 1975, bringing the total appropriation up to \$74.7 million. Subsequent growth has raised the funding level to \$85 million in Fiscal Year 1977.

For the future, there are very important things to be done in continuing fulfillment of the Arts Endowment's mission--among them:

1. Securing greater financial stability in cultural institutions.

Beset by rising costs and unable to increase prices to a commensurate level without raising undesirable economic barriers to cultural participation, many cultural institutions face mounting gaps between costs and earnings which must be filled by additional contributions. To help meet this need and enable cultural institutions to establish higher plateaus of regular philanthropic

support from a broader range of sources, the Congress has authorized a new Cultural Challenge Grant Program and the President is requesting that Program's full funding at \$12 million in Fiscal Year 1977 and \$18 million in Fiscal Year 1978. President-Elect Carter has endorsed the challenge program.

Cultural Challenge Grants are intended as one-time grants that must be matched at a minimum of 3 to 1 and can be used for up to three years. They will be awarded on the basis of long-range integrated program, audience, and financial development plans submitted by the institutions.

There are already encouraging signs that foundations, corporations, unions and others will be stimulated by challenge grants to reassess their philanthropic priorities, and accept greater responsibility for the cultural life of their communities. However, fulfillment of the promise in this Program will require Presidential leadership, as well as creative and energetic work by leaders of cultural institutions and by public officials and other civic leaders at all levels. If successful, this effort

will not only result in a better financial base for the arts but in a significant strengthening of the public-private sector partnership for the arts.

2. Achieving a larger role in the arts for state and local governments.

As already indicated, these governmental jurisdictions have increased their recognition and support of the arts. At the state level, many continue to be far too dependent on Federal funding. This is not a reason for cutting back the Federal contribution, but for encouraging them to do more for themselves. This should be possible, despite the financial problems of state and local governments, if all government officials achieve a better understanding of the growing importance of the arts to their citizens and the ways in which the arts can assist in achieving such other civic goals as economic growth, community development, improved education, and a better life for senior citizens.

3. Making the arts even more widely available.

Substantial progress has already been made in extending cultural opportunities of quality to a wider public, including specialized audiences.

As cultural institutions grow stronger and more stable, as state and local governments assume greater arts responsibility, and as artists learn to serve broader communities, this progress will be extended. In addition, the Endowment's programs in all fields must give continuing attention to this need-- emphasizing community-based arts programs, touring exhibits and performances, developing indigenous cultural resources, and, unquestionably, bringing more extensive quality arts programming to television and radio.

4. Integrating the arts into other pursuits.

Important in their own right, the arts as well as the perspectives and skills of artists can also be used to serve many other ends. There are worthwhile examples in projects that serve youth, the handicapped and the aging, improve the quality of our physical environment, build effective communities in neighborhoods and places of work, rehabilitate criminals, and heal the sick. These should be extended and improved upon by both the public and private sectors. As this is done, we will also learn better how to serve the arts in the context of pursuing such practical goals as full employment, urban development, and increased productivity.

Because of the range and pervasiveness of their activities, all Federal departments and agencies can do a great deal to point the way in this area. Some progress has already been made in such activities as Federal graphics and buildings, public service employment, and public works, but far more remains to be done. Full utilization of the arts should be as important a general aim in public programs as the full utilization of science and technology.

5. Strengthening opportunities of individual artists.

The individual artist is the source of all the arts. The Endowment assists the creative development of artists by supporting fellowships, workshops, and residencies. These activities should be continued as attention is also given to such additional areas of concern as training, career development, employment, marketing of artistic works, and the effect of copyright and tax laws on artists.

6. Encouraging a global arts perspective.

The United States must proceed to develop effective programs for sharing our artists and cultural heritage with other countries, making their cultural contributions better known to the

American people and, thereby, fostering deeper world understanding among all peoples. The Department of State, along with other concerned Federal agencies such as the Endowment, must work together to develop and to present an effective program.

The Federal government has already done a great deal to strengthen the arts in America. With personal leadership from Presidents Kennedy, Johnson, Nixon and Ford, and with strong support from the Congress, the work of the National Endowment for the Arts has provided hope, inspiration, a sense of direction and a small but essential element of material support. These contributions have been made without intruding government into artistic substance, which is a remarkable achievement. It is accounted for partly by the fact that the Endowment's programs are firmly rooted in the arts professions, themselves, and partly by the agency's independent position, which enables it to protect the integrity of responsible professional judgment--the essential ingredient for the proper exercise of its obligations to the public.

Attachments

- | | |
|-------------------------|--|
| Summary Background Memo | - Describes how the Arts Endowment operates |
| Attachment A | - Reauthorization Legislation and Funding Histories for Authorization and Appropriations |
| Attachment B | - 1975 Annual Report that includes a full listing of grantees |
| Attachment C | - Most recent <u>Guide to Programs</u> which describes all of our programs |
| Attachment D | - Bios on current Council members and listing of all previous members |
| Attachment E | - Lists of all current members of the Advisory Panels and the Staff |
| Attachment F | - Background information and guidelines for the Challenge Grant Program |

November 22, 1976

National Endowment for the Arts

Summary Background Memo

History and Goals:

The National Endowment for the Arts, an independent Federal agency, was created as one of two operating agencies within the National Foundation on the Arts and the Humanities. The National Council on the Arts advises the Chairman of the Endowment on policies, procedures, and programs, in addition to making recommendations on applications for grants.

The Council and Endowment have three basic goals:

1. Availability of the Arts
To promote broad dissemination of cultural resources of the highest quality;
2. Cultural Resources Development
To assist our cultural institutions in providing greater public service and in improving artistic and administrative standards; and
3. Advancement of Our Cultural Legacy
To support creativity among our most gifted artists, encourage the preservation of our cultural heritage, and enhance the quality of life of our Nation.

In October 1976, a four-year reauthorization bill (Attachment A) was passed by a bipartisan majority of both houses of the Congress. This was the fourth time the legislation has been extended since it was first passed September 15, 1965. Although there were some important changes in the legislation, the thrust of the legislation was a restatement of the purposes and principles that have been key to the Arts Endowment since it was first envisioned in the early 1960's. (Appropriations history is included in Attachment A.)

Method of Operation:

The Endowment engages in two main types of activity:

1. It provides financial assistance in the form of contracts and grants to public or private, nonprofit organizations, and to individuals

of exceptional talent. (1975 grant list is included in the annual report under Attachment B.)

2. It performs a variety of "leadership functions," including technical assistance, research, dissemination of information, development of pilot concepts, and advocacy on behalf of the arts.

The Programs of the Endowment:

The Endowment offers assistance through programs:

Disciplines

- Architecture + Environmental Arts
- Literature
- Visual Arts (including Crafts)
- Museums
- Dance
- Music
- Theatre
- Public Media (television, film, radio)

Interdisciplinary

- Federal-State Partnership
- Education
- Expansion Arts (neighborhood and community arts)
- Folk Arts
- Special Projects

Each of the 13 program areas provides assistance in several categories (e.g. the Music Program includes jazz/folk/ethnic music, contemporary music, composers, orchestras, operas). In total, there are about 110 funding categories of Endowment assistance.

Each Program is different in response to the unique characteristics and needs of the field it serves.

The conditions under which the Endowment makes grants are published in Guide to Programs (Attachment C).

The National Council on the Arts

Twenty-six distinguished private citizens (Attachment D) are appointed by the President, subject, from now on, to

the advice and consent of the Senate. They serve six-year terms, and roughly one-third of the membership rotates every two years. The Chairman of the National Endowment for the Arts is, by law, a member of the Council and also its Chairman. The four-year term of the present Chairman expires in October 1977. The appointment to this position should be submitted to the Senate in ample time for hearings and confirmation.

The next group of Council members takes office in September 1978. Nominations should be presented to the Senate in time for hearings and confirmation because of the necessity for a quorum.

The Council has earned the respect of the cultural constituencies and the broad public due to the exceptional quality of its members and its nonpartisan perspective. The Arts Endowment has worked with the White House to assemble the highest quality list of potential members, one that combines an artistic, geographic and racial balance which truly represents the cultural fields and the public. The importance of this body's excellence and nonpartisan image and attitude cannot be overstated.

Advisory Panels and Endowment Staff

Advisory Panels, made up of experts in each field from all over the country, serve the individual programs of the Endowment in much the same way that the National Council serves the Endowment.

In the Endowment there are 13 Program Offices and 12 Staff Offices (Attachment E).

The Program Offices are directed by professionals from the disciplines, rather than "administrative personnel," a critical factor in maintaining the agency's fresh professional nonbureaucratic image and approach.

Grant-Making Policies

The legislation prescribes four basic conditions for grants:

1. Grants are limited to public or private non-profit organizations and individuals of exceptional talent;



2. Grants to organizations generally must be matched, so that Arts Endowment funds do not exceed 50 percent of the cost of the project;
3. Grants to individuals do not require a match; and
4. Projects assisted must be in compliance with prevailing labor standards regarding wages and working conditions.

In addition, the National Council has developed policies to reinforce and expand these legislative requirements to include the following:

1. Quality is the first criterion in evaluating every application (some 19,000 last year) for assistance;
2. Funding for new organizations is generally precluded, focusing support on activities which have demonstrated a level of quality, value to their communities, and ability to attract basic support from nonfederal sources;
3. Grantees are not permitted to become dependent on the Endowment for a major portion of their total budget; and
4. Grants are not generally awarded to cover institutional deficits or general operating expenses.

Relationships with Others

The Arts Endowment believes that its relationship to the primarily private and local cultural community is one of partnership, in which the Federal role is to respond to the needs of the field, not to direct or interfere in the creative activities of individual artists or cultural organizations.

While the Endowment is responsive, it is not passive. Many important initiatives are required to be truly responsive to the needs of artists, cultural institutions, and the American people.

In the private sector, ties are almost too numerous and varied to describe. Ongoing working relationships are established

with each of the cultural fields served by our programs, including artists, national service organizations, professional associations, unions, cultural institutions, arts administrators, trustees and critics. In addition, regular contacts are maintained with professional associations in other fields, foundations, corporations and business associations, and civic associations.

At the local level, our involvement is increasing steadily in response to burgeoning cultural awareness and activity in communities, towns and cities all over the country. The interest of mayors and county executives is increasing accordingly. We anticipate that this trend will continue -- with our active participation and encouragement.

At the state level, we have a very special relationship with state arts agencies (SAAs) in all 50 states and five special jurisdictions. Each state arts agency is both a major grantee and a partner whose broad functions at the state level are similar to ours at the national level.

At the Federal level, the Endowment has worked closely with:

White House (Federal Design Program (see below);
White House Conference on the Handicapped - Arts Task Force; correspondence and resolutions for West Wing; entertainment and other cultural matters for East Wing);

Corporation for Public Broadcasting (Arts programming for television and radio);

General Services Administration (Public Art; adaptive and multiple use of Federal buildings; Federal Design);

Office of Education, HEW (Artists-in-Schools; artists as resources in other settings);

U.S. Park Service (Strolling Troubadours and other projects for D.C. parks);

Smithsonian Institution (Folk Arts; oral histories in jazz);

Library of Congress (Folk Arts);

Civil Service Commission (Federal Design, with particular regard to selection of Federal designers);



Bureau of Prisons (Cooperative program placing artists in Federal penitentiaries);

Department of State (Cultural Exchange);

Department of Labor (Public Service Employment: more than 3500 artists or arts-related personnel working in CETA programs throughout the country); and

Department of Commerce (Economic Development Programs: museum renovations and two Special State agency projects).

Under Presidential direction, the Endowment is responsible for the Federal Design Program. As part of this effort, a total of 45 Federal agencies have undertaken Graphics Improvement Programs to upgrade their internal graphic systems and to cut costs.

New Legislation

A Cultural Challenge Grant Program has been authorized by Congress and by the Office of Management and Budget. It is designed to develop new and increased sources of continuing support for the Nation's cultural institutions and organizations. In essence, this Program offers one dollar in Federal funds if the grantee raises a minimum of three dollars from new sources. This Program is considered critical to generate the revenues required by the institutions to continue expanding their services to the public and to meet increasing costs.

President Ford has indicated his intent to request full funding of the Program through a supplemental in Fiscal Year 1977 (\$12 million) and through the regular Fiscal Year 1978 budget request. The position paper of President-elect Carter, issued October 21, recognizes this need and expresses his support of the Program. Guidelines for the Program have been mailed and applications are being developed pending the appropriation of funds. (See Attachment F for more information.)

Photography and Film Project - The Congress has authorized the Endowment to carry out this two-year project to provide a lasting visual record of America in the bicentennial era. The project would be coordinated and directed by the Endowment, but much of the actual work would be carried out through



the state arts agencies. The costs would be \$4 million in 1977 and \$2 million in 1978.

Reuse of Railroad Stations - Congress authorized \$5 million in Fiscal Year 1977 for planning for the reuse of railroad stations and the interim maintenance of those stations in serious disrepair.

A Museum Services Institute has been authorized by the Congress and placed in the Department of Health, Education and Welfare.

Arts in Education - Congress authorized \$2 million in Fiscal Year 1978 for the Office of Education to carry out a new program of arts education.

NATIONAL FOUNDATION ON THE ARTS
AND THE HUMANITIES ACT OF 1965
(Public Law 209--89th Congress)
as amended through October 8, 1976



AN ACT

To provide for the establishment of the National Foundation on the Arts and the Humanities to promote progress and scholarship in the humanities and the arts in the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Foundation on the Arts and the Humanities Act of 1965."

DECLARATION OF PURPOSE

Sec. 2. (20 U.S.C. 951) The Congress hereby finds and declares--

(1) that the encouragement and support of national progress and scholarship in the humanities and the arts, while primarily a matter for private and local initiative, is also an appropriate matter of concern to the Federal Government;

(2) that a high civilization must not limit its efforts to science and technology alone but must give full value and support to the other great branches of man's scholarly and cultural activity in order to achieve a better understanding of the past, a better analysis of the present, and a better view of the future;

(3) that democracy demands wisdom and vision in its citizens and that it must therefore foster and support a form of education designed to make men masters of their technology and not its unthinking servant;

(4) that it is necessary and appropriate for the Federal Government to complement, assist, and add to programs



for the advancement of the humanities and the arts by local, State, regional, and private agencies and their organizations;

(5) that the practice of art and the study of the humanities requires constant dedication and devotion and that, while no government can call a great artist or scholar into existence, it is necessary and appropriate for the Federal Government to help create and sustain not only a climate encouraging freedom of thought, imagination, and inquiry, but also the material conditions facilitating the release of this creative talent;

(6) that the world leadership which has come to the United States cannot rest solely upon superior power, wealth, and technology, but must be solidly founded upon worldwide respect and admiration for the Nation's high qualities as a leader in the realm of ideas and of the spirit; and

(7) that, in order to implement these findings, it is desirable to establish a National Foundation on the Arts and the Humanities.

DEFINITIONS

Sec. 3. (20 U.S.C. 952) As used in this Act--

(a) The term "humanities" includes, but is not limited to, the study of the following: language, both modern and classical; linguistics; literature; history; jurisprudence; philosophy; archeology; comparative religion; ethics; the history, criticism, theory, and practice of the arts; those aspects of the social sciences which have humanistic content and employ humanistic methods; and the study and application of the humanities to the human environment with particular attention to the relevance of the humanities to the current conditions of national life.

(b) The term "the arts" includes, but is not limited to, music (instrumental and vocal), dance, drama, folk art, creative writing, architecture and allied fields, painting, sculpture, photography, graphic and craft arts, industrial design, costume and fashion design, motion pictures, television, radio, tape and sound recording, the arts related to the presentation, performance, execution, and exhibition of such major art forms, and the study and application of the arts to the human environment.

(c) The term "production" means plays (with or without music), ballet, dance and choral performances, concerts,



recitals, operas, exhibitions, readings, motion pictures, television, radio, and tape and sound recordings, and any other activities involving the execution or rendition of the arts and meeting such standards as may be approved by the National Endowment for the Arts established by section 5 of this Act.

(d) The term "project" means existing programs which further the purposes of this Act, and programs newly organized to further such purposes, including programs to foster American artistic creativity, to commission works of art, to create opportunities for individuals to develop artistic talents when carried on as a part of a program otherwise included in this definition, and to develop and enhance public knowledge and understanding of the arts, and includes, where appropriate, rental, or purchase of facilities, purchase or rental of land, and acquisition of equipment. Such term also includes--

(1) the renovation of facilities if (A) the amount of the expenditure of Federal funds for such purpose in the case of any project does not exceed \$250,000, or (B) two-thirds of the members of the National Council on the Arts (who are present and voting) approve of the grant or contract involving an expenditure for such purpose; and

(2) the construction of facilities if (A) such construction is for demonstration purposes or under unusual

circumstances where there is no other manner in which to accomplish an artistic purpose, and (B) two-thirds of the members of the National Council on the Arts (who are present and voting) approve of the grant or contract involving an expenditure for such purpose.

(e) The term "group" includes any State or other public agency, and any nonprofit society, institution, organization, association, museum, or establishment in the United States, whether or not incorporated.

(f) The term "workshop" means an activity the primary purpose of which is to encourage the artistic development or enjoyment of amateur, student, or other nonprofessional participants, or to promote scholarship and teaching among the participants.

(g) The term "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands.

Sec. 4. (20 U.S.C. 953) (a) There is established a National Foundation on the Arts and the Humanities (hereinafter referred to as the "Foundation"), which shall be composed of a National Endowment for the Arts, a National Endowment for the Humanities, and a Federal Council on the Arts and the Humanities (hereinafter established).



(b) The purpose of the Foundation shall be to develop and promote a broadly conceived national policy of support for the humanities and the arts in the United States pursuant to this Act.

(c) In the administration of this Act no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the policy determination, personnel, or curriculum, or the administration or operation of any school or other non-Federal agency, institution, organization, or association.

ESTABLISHMENT OF THE NATIONAL ENDOWMENT FOR THE ARTS

Sec. 5. (20 U.S.C. 954) (a) There is established within the Foundation a National Endowment for the Arts.

(b) (1) The Endowment shall be headed by a chairman, to be known as the Chairman of the National Endowment for the Arts, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) The term of office of the Chairman shall be four years and the Chairman shall be eligible for reappointment. The provisions of this subsection shall apply to any person appointed to fill a vacancy in the office of Chairman. Upon expiration of his term of office the Chairman shall serve until his successor shall have been appointed and shall have qualified.

(c) The Chairman, with the advice of the National Council on the Arts, is authorized to establish and carry out a program of contracts with, or grants-in-aid to, groups, or, in appropriate cases, individuals of exceptional talent engaged in or concerned with the arts, for the purpose of enabling them to provide or support--

(1) projects and productions which have substantial artistic and cultural significance, giving emphasis to American creativity and the maintenance and encouragement of professional excellence;



(2) projects and productions, meeting professional standards of authenticity, irrespective of origin, which are of significant merit and which, without such assistance, would otherwise be unavailable to our citizens for geographic or economic reasons;

(3) projects and productions that will encourage and assist artists and enable them to achieve wider distribution of their works, to work in residence at an educational or cultural institution, or to achieve standards of professional excellence;

(4) workshops that will encourage and develop the appreciation and enjoyment of the arts by our citizens;

(5) other relevant projects, including surveys, research, planning, and publications relating to the purposes of this subsection.

In the case of publications under clause (5) of this subsection such publications may be supported without regard for the provisions of section 501 of title 44, United States Code, only if the Chairman consults with the Joint Committee on Printing of the Congress and the Chairman submits to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives a report justifying any exemption from such section 501.

(d) No payment may be made to any group under this section except upon application therefor which is submitted to the National Endowment for the Arts in accordance with regulations and procedures established by the Chairman.

(e) The total amount of any grant to any group pursuant to subsection (c) of this section shall not exceed 50 per centum of the total cost of such project or production, except that not more than 20 per centum of the funds allotted by the National Endowment for the Arts for the purposes of subsection (c) for any fiscal year may be available for grants and contracts in that fiscal year without regard to such limitation.

(f) Any group shall be eligible for financial assistance pursuant to this section only if (1) no part of its net earnings inures to the benefit of any private stockholder or stockholders, or individual or individuals, and (2) donations to such group are allowable as a charitable contribution under the standards of subsection (c) of section 170 of the Internal Revenue Code of 1954.

(g) (1) The Chairman, with the advice of the National Council on the Arts, is authorized to establish and carry out a program of grants-in-aid to assist the several States in supporting existing projects and productions which meet the standards enumerated in section 5(c) of this Act, and in



developing projects and productions in the arts in such a manner as will furnish adequate programs, facilities, and services in the arts to all the people and communities 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 shall be specified by the Chairman and accompany such applications with a plan which the Chairman finds--

(A) designates or provides for the establishment of a State agency (hereinafter in this section referred to as the "State agency") as the sole agency for the administration of the State plan, except that in the case of the District of Columbia, the Recreation Board, or any successor designated for the purpose of this Act by the Commissioner of the District of Columbia, shall be the "State agency";

(B) provides that funds paid to the State under this subsection will be expended solely on projects and productions approved by the State agency which carry out one or more of the objectives of subsection (c); and

(C) provides that the State agency will make such reports, in such form and containing such information, as the Chairman may from time to time 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 \$200,000. 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 only 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 \$200,000.

(4) (A) The amount of each allotment to a State for any fiscal year under this subsection shall be available to each State, which has a plan approved by the Chairman in effect on the first day of such fiscal year, to pay



not more than 50 per centum of the total cost of any project or production described in paragraph (1). The amount of any allotment made under paragraph (3) for any fiscal year which exceeds \$125,000 shall be available, at the discretion of the Chairman, to pay up to 100 per centum of such cost of projects and productions if such project [sic] and productions would otherwise be unavailable to the residents of that State: Provided, That the total amount of any such allotment for any fiscal year which is exempted from such 50 per centum limitation shall not exceed 20 per centum of the total of such allotment for such fiscal year.

(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 60 days prior to the end of the fiscal year for which such sums are appropriated shall be available 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 purpose of paragraph (3) and paragraph (4) of this section 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 at the end of such year to the National Endowment for the Arts for the purpose of carrying out section 5(c).

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

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

(2) a State agency is not complying substantially with terms and conditions of its State plan approved under this section; or

(3) any funds granted to a group or State agency 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 or State agency with respect to which such finding was made that no further grants will be made under this section to such group or agency until there is no longer any default or failure to comply or the diversion has been corrected, or, if compliance or correction is impossible, until such group or agency repays or arranges the repayment of the Federal funds which have been improperly diverted or expended.

(i) It shall be a condition of the receipt of any grant under this section that the group or individual of exceptional



talent or the State or State agency receiving such grant furnish adequate assurances to the Secretary of Labor that (1) all professional performers and related or supporting professional personnel (other than laborers and mechanics with respect to whom labor standards are prescribed in subsection (j) of this section) employed on projects or productions which are financed in whole or in part under this section will be paid, without subsequent deduction or rebate on any account, not less than the minimum compensation as determined by the Secretary of Labor to be the prevailing minimum compensation for persons employed in similar activities; and (2) no part of any project or production which is financed in whole or in part under this section will be performed or engaged in under working conditions which are unsanitary or hazardous or dangerous to the health and safety of the employees engaged in such project or production. Compliance with the safety and sanitary laws of the State in which the performance or part thereof is to take place shall be prima facie evidence of compliance. The Secretary of Labor shall have the authority to prescribe standards, regulations, and procedures as he may deem necessary or appropriate to carry out the provisions of this subsection.

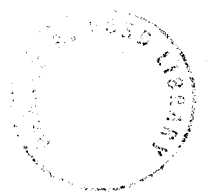
(j) It shall be a condition of the receipt of any grant under this section that the group or individual of exceptional talent or the State or State agency receiving such grant furnish adequate assurances to the Secretary of Labor that all

laborers and mechanics employed by contractors or subcontractors on construction projects assisted under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5). The Secretary of Labor shall have with respect to the labor standards specified in this subsection the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 913) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

(k) The Chairman shall correlate the programs of the National Endowment for the Arts insofar as practicable, with existing Federal programs and with those undertaken by other public agencies or private groups, and shall develop the programs of the Endowment with due regard to the contribution to the objectives of this Act which can be made by other Federal agencies under existing programs.

(1) (1) The Chairman of the National Endowment for the Arts, with the advice of the National Council on the Arts, is authorized, in accordance with the provisions of this subsection, to establish and carry out a program of contracts with, or grants-in-aid to, public agencies and private non-profit organizations for the purpose of--

(A) enabling cultural organizations and institutions to increase the levels of continuing support and



to increase the range of contributors to the programs of such organizations or institutions;

(B) providing administrative and management improvements for cultural organizations and institutions, particularly in the field of long-range financial planning;

(C) enabling cultural organizations and institutions to increase audience participation in, and appreciation of, programs sponsored by such organizations and institutions;

(D) stimulating greater cooperation among cultural organizations and institutions especially designed to serve better the communities in which such organizations or institutions are located; and

(E) fostering greater citizen involvement in planning the cultural development of a community.

(2) The total amount of any payment made under this subsection for a program or project may not exceed 50 per centum of the cost of such program or project.

(3) In carrying out the program authorized by this subsection, the Chairman of the National Endowment for the Arts shall have the same authority as is established in section 5(c) and section 10.

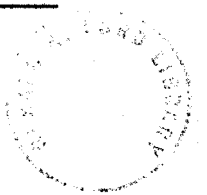
(m) (1) From funds appropriated to the Endowment and apportioned to each State pursuant to section 11(a)(4), the

Endowment is authorized to provide, by grant or contract, financial assistance to the State arts agency of each State, pursuant to such regulations and guidelines as the Endowment shall establish, to permit such State agency to support one or more photography or film projects meeting the purposes of this subsection. Such assistance shall also be available for acquiring essential supplies, and for administrative or supervisory personnel, and for processing and cataloging, and for the display (and related activities) of the photographs and films produced with assistance under this subsection.

(2) (A) No financial assistance may be made under this subsection unless an application is made at such time, in such manner, and containing or accompanied by such information, as the Endowment determines is reasonably necessary.

(B) In providing financial assistance under this subsection, each State shall give consideration to proposals which involve promising and qualified photographers or film makers who are unemployed or underemployed.

(3) From funds allotted to the Endowment pursuant to section 11(a)(4), the Endowment shall pay the costs of administration, provide for collection and dissemination of a representative collection of photographs and films produced pursuant to this subsection, and provide direct



assistance to applicants for photography or film projects of special merit which meet the purposes of this subsection.

The Endowment shall assure that representative photographs and films (including, where appropriate, negatives) produced with assistance furnished under this subsection are made available for the permanent collection of the Library of Congress.

NATIONAL COUNCIL ON THE ARTS

Sec. 6. (20 U.S.C. 955) (a) There shall be, within the National Endowment for the Arts, a National Council on the Arts (hereinafter in this section referred to as the "Council").

(b) The Council shall be composed of the Chairman of the National Endowment for the Arts, who shall be Chairman of the Council, and twenty-six other members appointed by the President, by and with the advice and consent of the Senate, who shall be selected--

(1) from among private citizens of the United States who are widely recognized for their broad knowledge of, or expertise in, or for their profound interest in, the arts;

(2) so as to include practicing artists, civic cultural leaders, members of the museum profession, and others who are professionally engaged in the arts; and

(3) so as collectively to provide an appropriate distribution of membership among the major art fields.

The President is requested, in the making of such appointments, to give consideration to such recommendations as may, from time to time, be submitted to him by leading national organizations in these fields.

(c) Each member shall hold office for a term of six years, and the terms of office shall be staggered. No member shall be eligible for reappointment during the two-year period



following the expiration of his term. Any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed.

(d) The Council shall meet at the call of the Chairman but not less often than twice during each calendar year. Fourteen members of the Council shall constitute a quorum.

(e) Members shall receive compensation at a rate to be fixed by the Chairman but not to exceed the per diem equivalent of the rate authorized for grade GS-18 by section 5332 of title 5 of the United States Code and be allowed travel expenses including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

(f) The Council shall (1) advise the Chairman with respect to policies, programs, and procedures for carrying out his functions, duties, or responsibilities under this Act, and (2) review applications for financial assistance under this Act and make recommendations thereon to the Chairman. The Chairman shall not approve or disapprove any such application until he has received the recommendation of the Council on such application, unless the Council fails to make a recommendation thereon within a reasonable time. In the case of an application involving \$17,500 or less, the Chairman may approve or disapprove such request if such action is taken pursuant to the terms of a delegation of authority from the Council to the

Chairman, and provided that each such action by the Chairman shall be reviewed by the Council; Provided, That the terms of any such delegation of authority shall not permit obligations for expenditure of funds under such delegation for any fiscal year which exceed an amount equal to 10 per centum of the sums appropriated for that fiscal year pursuant to subparagraph (A) of paragraph (1) of section 11(a).



ESTABLISHMENT OF THE NATIONAL ENDOWMENT FOR THE HUMANITIES

Sec. 7. (20 U.S.C. 956) (a) There is established within the Foundation a National Endowment for the Humanities.

(b) (1) The Endowment shall be headed by a chairman, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) The term of office of the Chairman shall be four years, and the Chairman shall be eligible for reappointment. The provisions of this paragraph shall apply to any person appointed to fill a vacancy in the office of the Chairman. Upon expiration of his term of office the Chairman shall serve until his successor shall have been appointed and shall have qualified.

(c) The Chairman, with the advice of the National Council on the Humanities (hereinafter established), is authorized to--

(1) develop and encourage the pursuit of a national policy for the promotion of progress and scholarship in the humanities;

(2) initiate and support research and programs to strengthen the research and teaching potential of the United States in the humanities by making arrangements (including contracts, grants, loans, and other forms of assistance) with individuals or groups to support such

activities; any loans made by the Endowment shall be made in accordance with terms and conditions approved by the Secretary of the Treasury;

(3) award fellowships and grants to institutions or individuals for training and workshops in the humanities. Fellowships awarded to individuals under this authority may be for the purpose of study or research at appropriate non-profit institutions selected by the recipient of such aid, for stated periods of time;

(4) foster the interchange of information in the humanities;

(5) foster, through grants or other arrangements with groups, education in, and public understanding and appreciation of the humanities;

(6) support the publication of scholarly works in the humanities; and

(7) insure that the benefit of its programs will also be available to our citizens where such programs would otherwise be unavailable due to geographic or economic reasons.

In the case of publications under clause (6) of this subsection such publications may be supported without regard for the provisions of section 501 of title 44, United States Code, only if the Chairman consults with the Joint Committee on Printing of the Congress and the Chairman submits to the Committee on



Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives a report justifying any exemption from such section 501.

(d) The Chairman shall correlate the programs of the National Endowment for the Humanities, insofar as practicable, with existing Federal programs, designated State humanities agencies and with those undertaken by other public agencies or private groups, and shall develop the programs of the Endowment with due regard to the contribution to the objectives of this Act which can be made by other Federal agencies under existing programs.

(e) The total amount of any grant under subsection (c) (3) to any group engaging in workshop activities for which an admission or other charge is made to the general public shall not exceed 30 per centum of the total cost of such activities.

(f) (1) The Chairman, with the advice of the National Council on the Humanities, is authorized, in accordance with the provisions of this subsection, to establish and carry out a program of grants-in-aid in each of the several States in order to support not more than 50 per centum of the cost of existing activities which meet the standards enumerated in subsection (c) of this section, and in order to develop a program 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 Federal financial assistance under this subsection in any fiscal year, any appropriate entity desiring to receive such assistance shall submit an application for such grants at such time as shall be specified by the Chairman. Each such application shall be accompanied by a plan which the Chairman finds--

(A) provides assurances that the grant recipient will comply with the requirements of paragraph (3) of this subsection;

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

(C) establishes a membership policy which is designed to assure broad public representation with respect to programs administered by such grant recipient;

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

(E) provides for a membership rotation process which assures the regular rotation of the membership and



officers of such grant recipient and which complies with the provisions of paragraph (3) (C) of this subsection;

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

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

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

(3) (A) Whenever a State desires that an appropriate officer or agency of such State appoint 50 per centum of the membership of the governing body of the grant recipient involved, such State shall--

(i) for the first fiscal year with respect to which such State desires to make such appointments, match, from State funds, 50 per centum of that portion of the Federal financial assistance received by such grant recipient under this subsection which exceeds \$100,000;

(ii) for the second fiscal year with respect to which such State desires to make such appointments, match, from State funds, that portion of the Federal financial assistance received by such grant recipient under this subsection which exceeds \$100,000; and

(iii) with respect to each fiscal year thereafter, match, from State funds, the total amount of Federal financial assistance received by such grant recipient under this subsection for the fiscal year involved.

(B) In any State in which the State does not desire to comply with the requirements of subparagraph (A) of this paragraph, the grant recipient shall--

(i) establish a procedure which assures that two members of the governing body of such grant recipient shall be appointed by an appropriate officer or agency of such State; and

(ii) provide, from any source, an amount equal to the total amount of Federal financial assistance received by such grant recipient under this subsection in the fiscal year involved.

(C) In any fiscal year in which a State fails to meet the matching requirement from State funds made by subparagraph (A) of this paragraph, the number of members on the governing body of the grant recipient who were appointed by an appropriate officer or agency of such State shall be reduced so that the governing body complies with the provisions of subparagraph (B) of this paragraph.

(4) Of the sums available to carry out this subsection for any fiscal year, each grant recipient which has a plan approved by the Chairman shall be allotted at least



\$200,000. If the sums appropriated are insufficient to make the allotments under the preceding sentence in full, such sums shall be allotted among such grant recipients 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 entities applying for such grants;

(B) the amount of such excess, if any, which remains after reserving in full for the Chairman the amount required under subparagraph (A) shall be allotted among the grant recipients which have plans approved by the Chairman in equal amounts, but in no event shall any grant recipient be allotted less than \$200,000.

(5) (A) Whenever the provisions of paragraph (3) (B) of this subsection apply in any State, that part of any allotment made under paragraph (4) for any fiscal year--

(i) which exceeds \$125,000, 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 (4) for any fiscal year which is not obligated by the grant recipient 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.

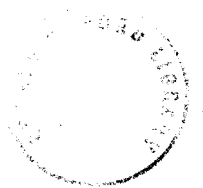
(D) For the purposes of this paragraph, the term 'regional group' means any multistate group, whether or not representative of contiguous States.

(6) All amounts allotted or made available under paragraph (4) for a fiscal year which are not granted to any entity during such fiscal year shall be available to the National Endowment for the Humanities for the purpose of carrying out subsection (c).

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

(A) a grant recipient is not complying substantially with the provisions of this subsection;

(B) a grant recipient is not complying substantially with terms and conditions of its plan approved under this subsection; or



(C) any funds granted to any grant recipient under this subsection 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 grant recipient with respect to which such finding was made that no further grants will be made under this subsection to such grant recipient 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 grant recipient repays or arranges the repayment of the Federal funds which have been improperly diverted or expended.

(8) Except as provided in paragraphs (4), (5), and (6), the Chairman may not make grants under this subsection to more than one entity in any State.

(g) It shall be a condition of the receipt of any grant under this section that the group, individual, or State entity receiving such grant furnish adequate assurances to the Secretary of Labor that (1) all professional performers and related or supporting professional personnel employed on projects or productions which are financed in whole or in part under this section will be paid, without subsequent deduction or rebate on any account, not less than the minimum compensation as determined by the Secretary of Labor to be the prevailing minimum compensation for persons employed in similar

activities; and (2) no part of any project or production which is financed in whole or in part under this section will be performed or engaged in under working conditions which are unsanitary or hazardous or dangerous to the health and safety of the employees engaged in such project or production.

Compliance with the safety and sanitary laws of the State in which the performance or part thereof is to take place shall be prima facie evidence of compliance. The Secretary of Labor shall have the authority to prescribe standards, regulations, and procedures as he may deem necessary or appropriate to carry out the provisions of this subsection.

(h) (1) The Chairman of the National Endowment for the Humanities, with the advice of the National Council on the Humanities, is authorized, in accordance with the provisions of this subsection, to establish and carry out a program of contracts with, or grants-in-aid to, public agencies and private nonprofit organizations for the purpose of--

(A) enabling cultural organizations and institutions to increase the levels of continuing support and to increase the range of contributors to the program of such organizations or institutions;

(B) providing administrative and management improvements for cultural organizations and institutions, particularly in the field of long-range financial planning;

(C) enabling cultural organizations and institutions to increase audience participation in, and appreciation of, programs sponsored by such organizations and institutions;

(D) stimulating greater cooperation among cultural organizations and institutions especially designed to serve better the communities in which such organizations or institutions are located;

(E) fostering greater citizen involvement in planning the cultural development of a community; and

(F) for bicentennial programs, assessing where our society and Government stand in relation to the founding principles of the Republic, primarily focused on projects which will bring together the public and private citizen sectors in an effort to find new processes for solving problems facing our Nation in its third century.

(2) (A) Except as provided in subparagraph (B) of this paragraph, the total amount of any payment made under this subsection for a program or project may not exceed 50 per centum of the cost of such program or project.

(B) The Chairman, with the advice of the Council, may waive all or part of the requirement of matching funds provided in subparagraph (A) of this paragraph, but only for the purposes described in clause (F) of paragraph (1), whenever he determines that highly meritorious

proposals for grants and contracts under such clause,
could not otherwise be supported from non-Federal sources
or from Federal sources other than funds authorized by
section 11(a)(3), unless such matching requirement is
waived. Such waiver may not exceed 15 per centum of the
amount appropriated in any fiscal year and available to
the National Endowment on the Humanities for the purpose
of this subsection.

(3) In carrying out the program authorized by this
subsection, the Chairman of the National Endowment for the
Humanities shall have the same authority as is established
in section 7(c) and section 10.



ESTABLISHMENT OF THE NATIONAL COUNCIL ON THE HUMANITIES

Sec. 8. (20 U.S.C. 957) (a) There is established in the National Endowment for the Humanities a National Council on the Humanities.

(b) The Council shall be composed of the Chairman of the National Endowment on the Humanities, who shall be the Chairman of the Council, and twenty-six other members appointed by the President, by and with the advice and consent of the Senate, from private life. Such members shall be selected on the basis of distinguished service and scholarship or creativity and in a manner which will provide a comprehensive representation of the views of scholars and professional practitioners in the humanities and of the public throughout the United States. The President is requested in the making of such appointments to give consideration to such recommendations as may from time to time be submitted to him by leading national organizations concerned with the humanities.

(c) Each member shall hold office for a term of six years, except that (1) the members first taking office shall serve, as designated by the President, nine for terms of two years, nine for terms of four years, and eight for terms of six years, and (2) any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed. No member shall be eligible for reappointment during the two-year period following the expiration of his term.

(d) The Council shall meet at the call of the Chairman but not less often than twice during each calendar year. Fourteen members shall constitute a quorum.

(e) Members shall receive compensation at a rate to be fixed by the Chairman but not to exceed the per diem equivalent of the rate authorized for grade GS-18 by section 5332 of title 5 of the United States Code and be allowed travel expenses including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

(f) The Council shall (1) advise the Chairman with respect to policies, programs, and procedures for carrying out his functions, and (2) shall review applications for financial support and make recommendations thereon to the Chairman. The Chairman shall not approve or disapprove any such application until he has received the recommendation of the Council on such application, unless the Council fails to make a recommendation thereon within a reasonable time. In the case of any application involving \$17,500, or less, the Chairman may approve or disapprove such request if such action is taken pursuant to the terms of a delegation of authority from the Council to the Chairman, and provided that each such action by the Chairman shall be reviewed by the Council: Provided, That the terms of any such delegation of authority shall not permit obligations for



expenditure of funds under such delegation for any fiscal year which exceed an amount equal to 10 per centum of the sums appropriated for that fiscal year pursuant to subparagraph (B) of paragraph (1) of section 11(a).

ESTABLISHMENT OF THE FEDERAL COUNCIL
ON THE ARTS AND THE HUMANITIES

Sec. 9. (20 U.S.C. 958) (a) There is established within the Foundation a Federal Council on the Arts and the Humanities.

(b) The Council shall be composed of the Chairman of the National Endowment for the Arts, the Chairman of the National Endowment for the Humanities, the United States Commissioner of Education, the Secretary of the Smithsonian Institution, the Director of the National Science Foundation, the Librarian of Congress, the Director of the National Gallery of Art, the Chairman of the Commission of Fine Arts, the Archivist of the United States, the Commissioner, Public Buildings Service, General Services Administration, a member designated by the Secretary of State, and a member designated by the Secretary of the Interior, a member designated by the Chairman of the Senate Commission on Art and Antiquities, and a member designated by the Speaker of the House. The President shall designate the Chairman of the Council from among the members. The President is authorized to change the membership of the Council from time to time as he deems necessary to meet changes in Federal programs or executive branch organization.

(c) The Council shall--

(1) advise and consult with the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities on major problems arising in carrying out the purposes of the Foundation;



(2) advise and consult with the National Museum Services Board and with the Director of the Institute of Museum Services on major problems arising in carrying out the purposes of such Institute;

(3) coordinate, by advice and consultation, so far as is practicable, the policies and operations of the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services, including joint support of activities, as appropriate;

(4) promote coordination between the programs and activities of the Foundation and the Institute of Museum Services and related programs and activities of other Federal agencies; and

(5) plan and coordinate appropriate participation (including productions and projects) in major and historic national events.

ADMINISTRATIVE PROVISIONS

Sec. 10. (20 U.S.C. 959) (a) In addition to any authorities vested in them by other provisions of this Act, the Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities, in carrying out their respective functions, shall each have authority--

(1) to prescribe such regulations as he deems necessary governing the manner in which his functions shall be carried out;

(2) in the discretion of the Chairman of an Endowment, after receiving the recommendation of the National Council of that Endowment, to receive money and other property donated, bequeathed, or devised to that Endowment with or without a condition or restriction, including a condition that the Chairman use other funds of that Endowment for the purposes of the gift, except that a Chairman may receive a gift without a recommendation from the Council to provide support for any application or project which can be approved without Council recommendation under the provisions of sections 6(f) and 8(f), and may receive a gift of \$15,000, or less, without Council recommendation in the event the Council fails to provide such recommendation within a reasonable period of time, and to use, sell, or otherwise dispose of such property for the purpose of carrying out sections 5(c) and 7(c);



(3) to appoint employees, subject to the civil service laws, as necessary to carry out his functions, define their duties, and supervise and direct their activities;

(4) to utilize from time to time, as appropriate, experts and consultants, including panels of experts, who may be employed as authorized by section 15 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 3109(b)): Provided, however, That any advisory panel appointed to review or make recommendations with respect to the approval of applications or projects for funding shall have broad geographic representation;

(5) to accept and utilize the services of voluntary and uncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by law (5 U.S.C. 5703) for persons in the Government service employed without compensation;

(6) to make advance, progress, and other payments without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529);

(7) to rent office space in the District of Columbia;
and

(8) to make other necessary expenditures.

In any case in which any money or other property is donated, bequeathed, or devised to the Foundation (A) without designation of the Endowment for the benefit of which such property

is intended, and (B) without condition or restriction other than it be used for the purposes of the Foundation, such property shall be deemed to have been donated, bequeathed, or devised in equal shares to each Endowment and each Chairman of an Endowment shall have authority to receive such property. In any case in which any money or other property is donated, bequeathed, or devised to the Foundation with a condition or restriction, such property shall be deemed to have been donated, bequeathed, or devised to that Endowment whose function it is to carry out the purpose or purposes described or referred to by the terms of such condition or restriction, and each Chairman of an Endowment shall have authority to receive such property. For the purposes of the preceding sentence, if one or more of the purposes of such a condition or restriction is covered by the functions of both Endowments, or if some of the purposes of such a condition or restriction are covered by the functions of one Endowment and other of the purposes of such a condition or restriction are covered by the functions of the other Endowment, the Federal Council on the Arts and the Humanities shall determine an equitable manner for distribution between each of the Endowments of the property so donated, bequeathed, or devised. For the purpose of the income tax, gift tax, and estate tax laws of the United States, any money or other property donated, bequeathed, or devised to the Foundation or one of its Endowments and



received by the Chairman of an Endowment pursuant to authority derived under this subsection shall be deemed to have been donated, bequeathed, or devised to or for the use of the United States.

(b) The Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities shall each submit an annual report to the President for transmittal to the Congress on or before the 15th day of January of each year. The report shall summarize the activities of the Endowment for the preceding year, and may include such recommendations as the Chairman deems appropriate.

(c) The National Council on the Arts and the National Council on the Humanities, respectively, may each submit an annual report to the President for transmittal to the Congress on or before the 15th day of January of each year setting forth a summary of its activities during the preceding year or its recommendations for any measures which it considers necessary or desirable.

AUTHORIZATION OF APPROPRIATIONS

Sec. 11. (20 U.S.C. 960) (a) (1) (A) For the purpose of carrying out section 5(c), there are authorized to be appropriated \$93,500,000 for fiscal year 1977, \$105,000,000 for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980. Of the sums so appropriated for any fiscal year, not less than 20 per centum shall be for carrying out section 5(g).

(B) For the purposes of carrying out section 7(c), there are authorized to be appropriated to the National Endowment for the Humanities \$93,500,000 for fiscal year 1977, \$105,000,000 for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980. Of the sums so appropriated for any fiscal year, not less than 20 per centum shall be for carrying out section 7(f).

(2) There are authorized to be appropriated for each fiscal year ending prior to October 1, 1980, to the National Endowment for the Arts and the National Endowment for the Humanities, an amount equal to the total amounts received by each Endowment under section 10(a)(2), except that the amount so appropriated for any fiscal year shall not exceed \$20,000,000 for fiscal year 1977, \$25,000,000 for fiscal year 1978, and such sums as may be necessary for fiscal years 1979 and 1980.



(3) (A) There is authorized to be appropriated for each fiscal year ending before October 1, 1980, to the National Endowment for the Arts an amount equal to the total amounts received by such Endowment for the purposes set forth in section 5(1)(1) pursuant to the authority of section 10(a)(2), except that the amount so appropriated to such Endowment shall not exceed \$12,000,000 for fiscal year 1977, and \$18,000,000 for fiscal year 1978. Such sums as may be necessary are authorized to be appropriated for fiscal years 1979 and 1980.

(B) There are authorized to be appropriated for each fiscal year ending before October 1, 1980, to the National Endowment for the Humanities an amount equal to the total amounts received by such Endowment for the purposes set forth in section 7(h)(1), pursuant to the authority of section 10(a)(2), except that the amount so appropriated to such Endowment shall not exceed \$12,000,000 for fiscal year 1977, and \$18,000,000 for fiscal year 1978. Such sums as may be necessary are authorized to be appropriated for fiscal years 1979 and 1980.

(C) If either Chairman determines at the end of the ninth month of any fiscal year that funds which would otherwise be available under this paragraph to an Endowment cannot be used, he shall transfer such funds to the other Endowment for the purposes described in section 5(1)(1) or section 7(h)(1), as may be necessary.

(D) Sums appropriated pursuant to subparagraph (A) and subparagraph (B) for any fiscal year shall remain available for obligation and expenditure until expended.

(4) (A) For the purposes of carrying out section 5(m), there are authorized to be appropriated to the National Endowment for the Arts \$4,000,000 for fiscal year 1977 and \$2,000,000 for fiscal year 1978. Sums appropriated pursuant to this subparagraph shall remain available until expended.

(B) Not more than 75 per centum of the amounts appropriated pursuant to subparagraph (A) shall be allocated among the States in equal amounts for fiscal year 1977, and not more than 50 per centum of the amounts appropriated pursuant to subparagraph (A) shall be allocated among the States in equal amounts for fiscal year 1978.

(b) (1) Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation and expenditure until expended.

(2) In order to afford adequate notice to interested persons of available assistance under this Act, appropriations authorized under subsection (a) are authorized to be included in the measure making appropriations for the fiscal year preceding the fiscal year for which such appropriations become available for obligation.



(c) There are authorized to be appropriated such sums as may be necessary to administer the provisions of this Act, or any other program for which the Chairman of the National Endowment for the Arts or the Chairman of the National Endowment for the Humanities is responsible.

(d) No grant shall be made to a workshop (other than a workshop conducted by a school, college, or university) for a production for which direct or indirect admission charge is asked if the proceeds, after deducting reasonable costs, are used for purposes other than assisting the grantee to develop high standards of artistic excellence or encourage greater appreciation of the arts and humanities by our citizens.

Sec. 12. (20 U.S.C. 961) (This Section was repealed by Public Law 91-230, 84 Stat. 121, April 13, 1970.)

Sec. 13. (20 U.S.C. 962) (This Section was repealed by Public Law 93-133, 87 Stat. 461, October 19, 1973.)

Sec. 14. (20 U.S.C. 963) (This Section was repealed by Public Law 93-133, 87 Stat. 461, October 19, 1973.)

LEGISLATIVE HISTORY:

- A. NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES ACT OF 1965, PUBLIC LAW 89-209:
HOUSE REPORT No. 618 accompanying H.R. 9460 (Comm. on Education and Labor).
SENATE REPORT No. 300 (Comm. on Labor and Public Welfare).
CONGRESSIONAL RECORD, Vol. 111 (1965):
June 10: Considered and passed Senate.
Sept. 15: Considered and passed House, amended in lieu of H.R. 9460.
Sept. 16: Senate concurred in House amendment.
Approved Sept. 29, 1965.
- B. PUBLIC LAW 90-83:
HOUSE REPORT No. 124 accompanying H.R. 5876 (Judiciary Comm.).
SENATE REPORT No. 482 accompanying H.R. 5876.
CONGRESSIONAL RECORD, Vol. 113 (1967):
April 3: Considered and passed by House.
Aug. 4: Considered and passed by Senate.
August 24: House concurred in Senate amendment.
Approved September 11, 1967.
- C. PUBLIC LAW 90-348:
HOUSE REPORTS: No. 1066 (Comm. on Education and Labor) and No. 1511 (Comm. of Conference).
SENATE REPORT No. 1103 (Comm. on Labor & Public Welfare).
CONGRESSIONAL RECORD, Vol. 114 (1968):
Feb. 27: Considered and passed House.
May 7: Considered and passed Senate, amended.
May 29: Senate agreed to conference report.
June 5: House agreed to conference report.
Approved June 18, 1968.

- D. HIGHER EDUCATION AMENDMENTS of 1968, Public Law 90-575:
HOUSE REPORT: No. 1649 accompanying H.R. 15067
(Education & Labor Comm.).
SENATE REPORT: No. 1387 accompanying S.3769 (Labor &
Public Welfare Comm.).
CONFERENCE REPORT: No. 1919, accompanying S.3769.
CONGRESSIONAL RECORD, Vol. 114 (1968):
Senate, July 15 and October 1.
House, July 25 and Sept. 26.
Approved October 16, 1968.
- E. PUBLIC LAW 91-230:
HOUSE REPORT No. 91-114 accompanying H.R. 514 (Committee
on Education and Labor).
SENATE REPORT No. 91-634 accompanying H.R. 514 (Comm.
on Labor and Public Welfare).
CONFERENCE REPORT No. 91-937 accompanying H.R. 514.
CONGRESSIONAL RECORD, Vols. 115 & 116 (1969 and 1970):
Senate, Feb. 19, and April 1, 1970.
House, April 23, 1969 and April 7, 1970.
Approved April 13, 1970.
- F. PUBLIC LAW 91-346:
HOUSE REPORT No. 91-936 accompanying H.R. 16065 (Comm.
on Education and Labor), and No. 91-1292 (Comm. on
Conference).
SENATE REPORT No. 91-879 (Comm. on Labor and Public
Welfare).
CONGRESSIONAL RECORD: Vol. 116 (1970):
May 21, considered and passed by Senate.
June 30, S.3215 considered and passed by House,
amended, in lieu of H.R. 16065.
July 13, House and Senate agreed to conference report.
Approved July 20, 1970.
- G. PUBLIC LAW 93-133:
HOUSE REPORT No. 93-255 accompanying H.R. 3926 (Comm. on
Education and Labor), and No. 93-529 (Comm. on Conference).
SENATE REPORT No. 93-100 accompanying S.795 (Comm. on
Labor and Public Welfare).
CONGRESSIONAL RECORD, Vol. 119 (1973):
May 1, 2, considered and passed Senate.
June 13, 14, considered and passed House, amended,
in lieu of H.R. 3926.
Oct. 2, House agreed to conference report.
Oct. 4, Senate agreed to conference report.
Approved October 19, 1973.

H. PUBLIC LAW 94-462:
HOUSE REPORT No. 94-1024 accompanying H.R. 12838 (Comm.
on Education and Labor).
SENATE REPORT No. 94-881 accompanying S.3440 (Comm. on
Labor and Public Welfare).
CONFERENCE REPORT No. 94-1631 accompanying H.R. 12838.
CONGRESSIONAL RECORD, Vol. 122 (1976):
April 26, considered and passed by House.
May 20, considered and passed by Senate.
Sept. 22, Senate agreed to conference report.
Sept. 27, House agreed to conference report.
Approved October 8, 1976.

APPENDIX A

Additional Legislation Affecting the National Foundation on the Arts and Humanities:

7 U.S.C. 1704(b) (2) Purpose for which foreign currencies may be used.

Notwithstanding any other provision of law, the President may use or enter into agreements with foreign countries or international organizations to use foreign currencies...

(a) ...

(b) For carrying out programs of United States Government agencies to--

(1) ...

(2) finance...activities to assist international educational and cultural exchange and to provide for the strengthening of the resources of American schools, colleges, universities, and other public and nonprofit private educational agencies for international studies and research under the programs authorized by...the National Foundation on the Arts and the Humanities Act of 1965,....

22 U.S.C. 2459. Immunity from seizure under judicial process of cultural objects imported for temporary exhibition or display.

(a) Agreements; Presidential determination; publication in Federal Register.

Whenever any work of art or other object of cultural significance is imported into the United States from any foreign country, pursuant to an agreement entered into between the foreign owner or custodian thereof and the United States or one or more cultural or educational institutions within the United States providing for the temporary exhibition or display thereof within the United States at any cultural exhibition, assembly, activity, or festival administered, operated, or sponsored, without profit, by any such cultural or educational institution, no court of the United States, any State, the District of Columbia, or any territory or possession of the United States may issue or enforce any judicial process, or enter any judgment, decree, or order, for the purpose or having the effect of depriving such institution, or any carrier engaged in transporting such work or object within the United States, of custody or control of such object if before the importation of such object the President or his designee has determined that such object is of cultural significance and that the temporary exhibition or display thereof within the United States is in the national interest, and a notice to that effect has been published in the Federal Register.

(b) Intervention of United States attorney in pending judicial proceedings.

If in any judicial proceeding in any such court any such process, judgment, decree, or order is sought, issued, or

entered, the United States attorney for the judicial district within which such proceeding is pending shall be entitled as of right to intervene as a party to that proceeding, and upon request made by either the institution adversely affected, or upon direction by the Attorney General if the United States is adversely affected, shall apply to such court for the denial, quashing, or vacating thereof.

(c) Enforcement of agreements and obligations of carriers under transportation contracts.

Nothing contained in this section shall preclude (1) any judicial action for or in aid of the enforcement of the terms of any such agreement or the enforcement of the obligation of any carrier under any contract for the transportation of any such object of cultural significance; or (2) the institution or prosecution by or on behalf of any such institution or the United States of any action for or in aid of the fulfillment of any obligation assumed by such institution, or the United States pursuant to any such agreement. (Pub. L. 89-259, Oct. 19, 1965, 79 Stat. 985.)

22 U.S.C. 2903. Japan-United States Friendship Commission -- Establishment; composition.

(a) There is established a commission to be known as the Japan-United States Friendship Commission (hereafter referred to as the "Commission"). The Commission shall be composed of--

(1) ...

(2) ...

(3) ...

(4) the Chairman of the National Endowment for the Arts; and

(5) the Chairman of the National Endowment for the Humanities.

....

__ U.S.C. ____. Museum Services Act. Pub. L. 94-462, October 8, 1976. Sec. 204. (a) (1) The Board shall consist of fifteen members appointed by the President, by and with the advice and consent of the Senate....

(2) (A) In addition to members appointed by the President under paragraph (1), the following persons shall serve as members of the Board--

(i) the Chairman of the National Endowment for the Arts; and

(ii) the Chairman of the National Endowment for the Humanities...

Public Law 94-158, 94th Congress, S.1800, December 20, 1975

AN ACT

To provide indemnities for exhibitions of artistic and humanistic endeavors, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Arts and Artifacts Indemnity Act".

FEDERAL COUNCIL

Sec. 2(a) The Federal Council on the Arts and Humanities (hereinafter in this Act referred to as the "Council"), established under section 9 of the National Foundation on the Arts and the Humanities Act of 1965, is authorized to make 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 Council shall prescribe, by regulation, in order to achieve the purposes of this Act and, consistent with such purposes, to protect the financial interest of the United States.

(b) For purposes of this Act, the Council shall be an "agency" within the meaning of the appropriate definitions of such term in title 5, United States Code.

ELIGIBLE ITEMS

Sec. 3.(a) The Council may make an indemnity agreement under this Act with respect to--

- (1) works of art, including tapestries, paintings, sculpture, folk art, graphics, and craft arts;
- (2) manuscripts, rare documents, books, and other printed or published materials;
- (3) other artifacts or objects; and
- (4) photographs, motion pictures, or audio and video tape;

which are (A) of educational, cultural, historical, or scientific value, and (B) the exhibition of which is certified by the Secretary of State or his designee as being in the national interest.

(b) (1) An indemnity agreement made under this Act shall cover eligible items while on exhibition in the United States, or elsewhere when part of an exchange of exhibitions, but in no case shall both parts of such an exchange be so covered.

(2) For purposes of this subsection, the term "on exhibition" includes that 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.

APPLICATION

Sec. 4.(a) Any person, nonprofit agency, institution, or government desiring to make an indemnity agreement for eligible items under this Act shall make application therefor in accordance with such procedures, in such form, and in such manner as the Council shall, by regulation, prescribe.

(b) An application 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 items are eligible under section 3(a); and

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

(c) Upon receipt of an application under this section, the Council shall, if such application conforms with the requirements of this Act, approve the application and make an indemnity agreement with the applicant. Upon such approval, the agreement shall constitute a contract between the Council and the applicant pledging the full faith and credit of the United States to pay any amount for which the

Council becomes liable under such agreement. The Council, for such purpose, is hereby authorized to pledge the full faith and credit of the United States.

INDEMNITY AGREEMENT

Sec. 5.(a) Upon receipt of an application meeting the requirements of subsections (a) and (b) of section 4, the Council shall review the estimated value of the items for which coverage by an indemnity agreement is sought. If the Council agrees with such estimated value, for the purposes of this Act, the Council shall, after approval of the application as provided in subsection (c) of section 4, make an indemnity agreement.

(b) The aggregate of loss or damage covered by indemnity agreements made under this Act shall not exceed \$250,000,000 at any one time.

(c) No indemnity agreement for a single exhibition shall cover loss or damage in excess of \$50,000,000.

(d) Coverage under this Act shall only extend to loss or damage in excess of the first \$15,000 or loss or damage resulting from a single exhibition.

REGULATIONS

Sec. 6.(a) The Council shall prescribe regulations providing for prompt adjustment of valid claims for losses which are covered by an agreement made pursuant to section 5, including provision for arbitration of issues relating to the

dollar value of damages involving less than total loss or destruction of such covered objects.

(b) In the case of a claim of loss with respect to an item which is covered by an agreement made pursuant to section 5, the Council shall certify the validity of the claim and the amount of loss to the Speaker of the House of Representatives and the President pro tempore of the Senate.

AUTHORIZATION OF APPROPRIATIONS

Sec. 7. There are hereby authorized to be appropriated such sums as may be necessary (1) to enable the Council to carry out its functions under this Act, and (2) to pay claims certified pursuant to section 6(b).

REPORT

Sec. 8. The Council shall report annually to the Congress (1) all claims actually paid pursuant to this Act during the preceding fiscal year, (2) pending claims against the Council under this Act as of the close of that fiscal year, and (3) the aggregate face value of contracts entered into by the Council which are outstanding at the close of that fiscal year.

EFFECTIVE DATE

Sec. 9. This Act shall become effective 30 days after the date of the enactment of this Act.

Approved December 20, 1975.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 94-680 accompanying H.R. 7782 (Comm. on Education and Labor).

SENATE REPORT No. 94-289 (Comm. on Labor and Public Welfare).

CONGRESSIONAL RECORD, Vol. 121 (1975)

July 25, considered and passed Senate.

Dec. 1, considered and passed House, amended, in lieu of H.R. 7782.

Dec. 4, Senate concurred in House amendments.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 11, No. 52:

Dec. 20, Presidential statement.

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT


I have today signed S. 1800, "The Arts and Artifacts Indemnity Act."

S. 1800 authorizes the Federal Government, under certain circumstances, to indemnify certain art, artifacts and other objects to be exhibited internationally. One of the conditions which the bill requires to be met is that the Secretary of State or his designee certify that the proposed exchange would be "in the national interest." In approving S. 1800, I note that the legislative history links the determination of national interest specifically to exhibits and exchanges which would be in the "foreign policy interests of the United States," and "in the interests of the people of the United States" so that the indemnification program does not become simply an insurance relief mechanism. I believe that such linkage is essential to justify involvement of the Federal Government in this kind of an indemnification program, and I am therefore directing the Secretary of State to establish appropriate criteria for his certifications to assure that the intent of the legislation in this regard is properly and carefully carried out.

Another concern about S. 1800 grows out of the provisions designating the Federal Council on the Arts and Humanities as an agency for the purpose of administering the indemnification

program. Under existing law, the Council is essentially an advisory body. This bill, however, would assign executive functions to the Council. Thus, its members must be officers of the United States. In this regard, four of the current statutory members of the Council -- the Secretary of the Smithsonian Institution, the Director of the National Gallery of Art, the member designated by the Chairman of the Senate Commission on Art and Antiquities, and the member designated by the Speaker of the House -- are not appointed in the manner prescribed in the Constitution for appointment of officers of the United States. Furthermore, the conversion of the Council from an advisory body into an executive agency for the purpose of the Act would place the Congressional member of the Council in violation of the Constitutional prohibition against members of Congress holding civil offices of the United States.

However, I am approving S. 1800 since these surface Constitutional defects can be cured by Executive action. Under the authority vested in me by the National Foundation on the Arts and Humanities Act of 1965 to change the membership of the Council to meet changes in Federal programs or executive branch organization, I am today directing that, because of the Constitutional provisions noted above, the four Council members previously mentioned shall not serve as members of the Council when it acts as an agency in carrying out functions under this Act.



TITLE II—MUSEUM SERVICES

SHORT TITLE

SEC. 201. This title may be cited as the "Museum Services Act".

PURPOSE

SEC. 202. It is the purpose of this title to encourage and assist museums in their educational role, in conjunction with formal systems of elementary, secondary, and post-secondary education and with programs of nonformal education for all age groups; to assist museums in modernizing their methods and facilities so that they may be better able to conserve our cultural, historic, and scientific heritage; and to ease the financial burden borne by museums as a result of their increasing use by the public.

INSTITUTE OF MUSEUM SERVICES

SEC. 203. There is hereby established, within the Department of Health, Education, and Welfare, an Institute of Museum Services. The Institute shall consist of a National Museum Services Board and a Director of the Institute.

NATIONAL MUSEUM SERVICES BOARD

SEC. 204. (a) (1) The Board shall consist of fifteen members appointed by the President, by and with the advice and consent of the Senate. Such members shall be broadly representative of various museums, including museums relating to science, history, technology, art, zoos, and botanical gardens, of the curatorial, educational, and cultural resources of the United States, and of the general public.

(2) (A) In addition to members appointed by the President under paragraph (1), the following persons shall serve as members of the Board—

- (i) the Chairman of the National Endowment for the Arts;
- (ii) the Chairman of the National Endowment for the Humanities;
- (iii) the Secretary of the Smithsonian Institution;
- (iv) the Director of the National Science Foundation; and
- (v) the Commissioner of Education.

(B) The members of the Board listed in clause (i) through clause (v) of subparagraph (A) shall be nonvoting members.

(b) The term of office of the appointed members of the Board shall be five years, except that—

(1) any such member appointed to fill a vacancy shall serve only such portion of a term as shall not have expired at the time of such appointment; and

(2) in the case of initial members, three shall serve for terms of five years, three shall serve for terms of four years, three shall serve for terms of three years, three shall serve for terms of two years, and three shall serve for terms of one year, as designated by the President at the time of nomination for appointment.

Any appointed member who has been a member of the Board for more than seven consecutive years shall thereafter be ineligible for reappointment to the Board during the three-year period following the expiration of the last such consecutive year.

(c) The Chairman of the Board shall be designated by the President from among the appointed members of the Board. Eight appointed members of the Board shall constitute a quorum.

(d) The Board shall meet at the call of the Chairman, except that—

(1) it shall meet not less than four times each year; and

(2) it shall meet whenever one-third of the appointed members request a meeting in writing, in which event eight of the appointed members shall constitute a quorum.

(e) Members of the Board who are not in the regular full-time employ of the United States shall receive, while engaged in the business of the Board, compensation for service at a rate to be fixed by the President, except that such rate shall not exceed the rate specified at the time of such service for grade GS-18 set forth in section 5332 of title 5, United States Code, including traveltime, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed in Government service.

(f) The Board shall have the responsibility for the general policies with respect to the powers, duties, and authorities vested in the Institute under this title. The Director shall make available to the Board such information and assistance as may be necessary to enable the Board to carry out its functions.

(g) The Board shall, with the advice of the Director, take steps to assure that the policies and purposes of the Institute are coordinated with other activities of the Federal Government.

DIRECTOR OF THE INSTITUTE

SEC. 205. (a) (1) The Director of the Institute shall be appointed by the President, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. The Director shall be compensated at the rate provided for level V of the Executive Schedule (5 U.S.C. 5316), and shall perform such duties and exercise such powers as the Board may prescribe.

(2) The Director shall report to the Secretary of Health, Education, and Welfare with respect to the activities of the Institute. The Director shall not delegate any of his functions to any other officer who is not directly responsible to the Director.

(b) The Director shall advise the Board regarding policies of the Institute to assure coordination of the Institute's activities with other agencies and organizations of the Federal Government having interest in and responsibilities for the improvement of museums. Such Government agencies shall include the National Endowment for the Arts, the National Endowment for the Humanities, the National Science

Foundation, appropriate units in the Department of Health, Education, and Welfare, the Library of Congress, and the Smithsonian Institution and related organizations.

ACTIVITIES OF THE INSTITUTE

SEC. 206. (a) The Director, subject to the policy direction of the Board, is authorized to make grants to museums to increase and improve museum services, through such activities as—

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

(2) assisting them in developing and maintaining professionally-trained or otherwise experienced staff to meet their needs;

(3) assisting them to meet their administrative costs in preserving and maintaining their collections, exhibiting them to the public, and providing educational programs to the public through the use of their collections;

(4) assisting museums in cooperation with each other in the development of traveling exhibitions, meeting transportation costs, and identifying and locating collections available for loan;

(5) assisting them in conservation of artifacts and art objects; and

(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.

(b) Grants under this section for any fiscal year may not exceed 50 per centum of the cost of the program for which the grant is made, except that not more than 20 per centum of the funds available under this section for any fiscal year may be available for grants in such fiscal year without regard to such limitation.

CONTRIBUTIONS

SEC. 207. The Institute shall have authority to accept in the name of the United States, grants, gifts, or bequests of money for immediate disbursement in furtherance of the functions of the Institute. Such grants, gifts, or bequests, after acceptance by the Institute, shall be paid by the donor or his representative to the Treasurer of the United States whose receipt shall be their acquittance. The Treasurer of the United States shall enter them in a special account to the credit of the Institute for the purposes in each case specified.

FUNCTIONS OF FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES

SEC. 208. Section 9(c) of the National Foundation on the Arts and the Humanities Act of 1965 is amended—

(1) by redesignating paragraph (2) through paragraph (4) as paragraph (3) through paragraph (5), respectively, and by inserting immediately after paragraph (1) the following new paragraph:

“(2) advise and consult with the National Museum Services Board and with the Director of the Institute of Museum Services on major problems arising in carrying out the purposes of such Institute;”;

(2) in paragraph (3) thereof, as so redesignated by paragraph (1), by striking out "and" immediately after "Arts" and inserting in lieu thereof a comma, and by inserting "and the Institute of Museum Services," immediately after "Humanities,"; and

(3) in paragraph (4) thereof, as so redesignated by paragraph (1), by inserting "and the Institute of Museum Services" immediately after "Foundation".

AUTHORIZATION OF APPROPRIATIONS

SEC. 209. (a) For the purpose of making grants under section 206 (a), there are authorized to be appropriated \$15,000,000 for fiscal year 1977, \$25,000,000 for fiscal year 1978, and such sums as may be necessary for each of fiscal years 1979 and 1980.

(b) There are authorized to be appropriated such sums as may be necessary to administer the provisions of this title.

(c) Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation and expenditure until expended.

(d) For the purpose of enabling the Institute to carry out its functions under this title, during the period beginning on the date of the enactment of this Act and ending October 1, 1980, there is authorized to be appropriated an amount equal to the amount contributed during such period to the Institute under section 207.

DEFINITIONS

SEC. 210. For the purpose of this title, the term—

(1) "Board" means the National Museum Services Board established under section 203;

(2) "Director" means the Director of the Institute established under section 203;

(3) "Institute" means the Institute of Museum Services established under section 203; and

(4) "museum" means a public or private nonprofit agency or institution organized on a permanent basis for essentially educational or esthetic purposes, which, utilizing a professional staff, owns or utilizes tangible objects, cares for them, and exhibits them to the public on a regular basis.

NATIONAL ENDOWMENT FOR THE ARTS

WASHINGTON
D.C. 20506



A Federal agency advised by the
National Council on the Arts

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES AUTHORIZATION LEVELS 1976-1980

	<u>Arts</u>	<u>Humanities</u>	<u>HEW</u>	<u>Total</u>
<u>Fiscal 1976</u>				
Program funds	\$113.5	\$113.5	-	\$227.0
Treasury funds	12.5	12.5	-	25.0
TOTAL	\$126.0	\$126.0		\$252.0

<u>Fiscal 1977</u>				
Program funds	\$ 93.5	\$ 93.5	-	\$187.0
Treasury funds	10.0	10.0	-	20.0
Challenge	12.0	12.0	-	24.0
Photo/Film	4.0	-	-	4.0
Museums	-	-	\$15.0 *	15.0
Arts Education	-	-	-	-
TOTAL	\$119.5	\$115.5	\$15.0	\$250.0

<u>Fiscal 1978</u>				
Program funds	\$105.0	\$105.0	-	\$210.0
Treasury funds	12.5	12.5	-	25.0
Challenge	18.0	18.0	-	36.0
Photo/Film	2.0	-	-	2.0
Museums	-	-	\$25.0 *	25.0
Arts Education	-	-	2.0	2.0
TOTAL	\$137.5	\$135.5	\$27.0	\$300.0

<u>Fiscal 1979 & 1980</u>				
Program Funds	"such sums"	"such sums"	-	
Treasury funds	"such sums"	"such sums"	-	
Challenge	"such sums"	"such sums"	-	
Photo/Film	-	-	-	
Museums	-	-	"such sums"	
Arts Education	-	-	-	
TOTAL				

*Bill provides open ended treasury so total that will be available to the Institute is non-accessible.

Note: These figures do not include the private matching funds.

VB/Congressional Liaison Office
9/15/76

**History of Authorizations and
Appropriations through FY 1976
and the Transition Quarter**

**National Foundation on the
Arts and the Humanities**

	Arts		Humanities		Administrative
	Authorization	Appropriation	Authorization	Appropriation	
Fiscal 1966					
Program Funds	\$ 5,000,000	\$ 2,500,000	\$ 5,000,000	\$ 2,500,000	\$ 727,000
Treasury Fund**	2,250,000	34,308	5,000,000		
Total	\$ 7,250,000	\$ 2,534,308	\$ 10,000,000	\$ 2,500,000	
Fiscal 1967					
Program Funds	\$ 5,000,000	\$ 4,000,000	\$ 5,000,000	\$ 2,000,000	\$ 1,019,500
State Arts Agencies (bloc)	2,750,000	2,000,000			
(Subtotal—Program Funds)	(7,750,000)	(6,000,000)			
Treasury Fund	2,250,000	1,965,692	5,000,000	106,278	
Total	\$ 10,000,000	\$ 7,965,692	\$ 10,000,000	\$ 2,106,278	
Fiscal 1968					
Program Funds	\$ 5,000,000	\$ 4,500,000	\$ 5,000,000	\$ 3,500,000	\$ 1,200,000
State Arts Agencies (bloc)	2,750,000	2,000,000			
(Subtotal—Program Funds)	(7,750,000)	(6,500,000)			
Treasury Fund	2,250,000	674,291	5,000,000	325,257	
Total	\$ 10,000,000	\$ 7,174,291	\$ 10,000,000	\$ 3,825,257	
Fiscal 1969					
Program Funds	\$ 6,000,000	\$ 3,700,000	\$ 8,000,000	\$ 3,700,000	\$ 1,400,000
State Arts Agencies (bloc)	2,000,000	1,700,000			
(Subtotal—Program Funds)	(8,000,000)	(5,400,000)			
Treasury Fund	3,375,000	2,356,875	3,375,000	1,262,473	
Total	\$ 11,375,000	\$ 7,756,875	\$ 11,375,000	\$ 4,962,473	
Fiscal 1970					
Program Funds	\$ 6,500,000	\$ 4,250,000	\$ 9,000,000	\$ 6,050,000	\$ 1,610,000
State Arts Agencies (bloc)	2,500,000	2,000,000			
(Subtotal—Program Funds)	(9,000,000)	(6,250,000)			
Treasury Fund	3,375,000	2,000,000	3,375,000	2,000,000	
Total	\$ 12,375,000	\$ 8,250,000	\$ 12,375,000	\$ 8,050,000	
Fiscal 1971					
Program Funds	\$ 12,875,000	\$ 8,465,000	\$ 17,000,000	\$ 11,060,000	\$ 2,660,000
State Arts Agencies (bloc)	4,125,000	4,125,000			
(Subtotal—Program Funds)	(17,000,000)	(12,590,000)			
Treasury Fund	3,000,000	2,500,000	3,000,000	2,500,000	
Total	\$ 20,000,000	\$ 15,090,000	\$ 20,000,000	\$ 13,560,000	

** Federal funds appropriated by Congress to match non-federal donations to the Endowments

	Authorization	Appropriation	Authorization	Appropriation	
Fiscal 1972					
Program Funds	\$ 21,000,000	\$ 20,750,000	\$ 26,500,000	\$ 24,500,000	\$ 3,460,000
State Arts Agencies (bloc)	5,500,000	5,500,000	—	—	
(Subtotal—Program Funds)	(26,500,000)	(26,250,000)			
Treasury Fund	3,500,000	3,500,000	3,500,000	3,500,000	
Total	\$ 30,000,000	\$ 29,750,000	\$ 30,000,000	\$ 28,000,000	
Fiscal 1973					
Program Funds	\$ 28,625,000	\$ 27,825,000	\$ 35,500,000	\$ 34,500,000	\$ 5,314,000
State Arts Agencies (bloc)	6,875,000	6,875,000	—	—	
(Subtotal—Program Funds)	(35,500,000)	(36,690,000)			
Treasury Fund	4,500,000	3,500,000	4,500,000	3,500,000	
Total	\$ 40,000,000	\$ 38,200,000	\$ 40,000,000	\$ 38,000,000	
Fiscal 1974					
Program Funds	\$ 54,000,000	\$ 46,025,000	\$ 65,000,000	\$ 44,500,000	\$ 6,500,000
State Arts Agencies (bloc)	11,000,000	8,250,000	—	—	
(Subtotal—Program Funds)	(65,000,000)	(54,255,000)			
Treasury Fund	7,500,000	6,500,000	7,500,000	6,500,000	
Total	\$ 72,500,000	\$ 60,775,000	\$ 72,500,000	\$ 51,000,000	
Fiscal 1975					
Program Funds	\$ 90,000,000*	\$67,250,000*	\$ 90,000,000	\$ 67,250,000	\$ 10,783,000
*(Not less than 20% for State Arts Agencies & Regional Groups)					
Treasury Fund	10,000,000	7,500,000	10,000,000	6,500,000	
Total	\$100,000,000	\$ 74,750,000	\$100,000,000	\$ 73,750,000	
Fiscal 1976					
Program Funds	\$113,500,000*	\$ 74,500,000*	\$113,500,000	\$ 72,000,000	\$ 10,910,000
*(Not less than 20% for State Arts Agencies & Regional Groups)					
Treasury Fund	12,500,000	7,500,000	12,500,000	7,500,000	
Total	\$126,000,000	\$ 82,000,000	\$126,000,000	\$ 79,500,000	
Transition Quarter					
JULY 1, 1976—					
SEPTEMBER 30, 1976					
Program Funds	—	\$ 33,437,000*	—	\$ 20,750,000	\$ 2,727,000
*(Not less than 20% for State Arts Agencies & Regional Groups)					
Treasury Fund	—	500,000	—	500,000	
Total	—	\$ 33,937,000	—	\$ 21,250,000	
Grand Total	\$439,500,000	\$368,183,166	\$442,250,000	\$326,504,008	\$ 48,310,500
FISCAL YEAR 1977					
Program funds	\$93,500,000	\$77,500,000	\$93,500,000	\$77,500,000	\$11,000,000
Treasury	10,000,000	7,500,000	10,000,000	7,000,000	
Challenge	12,000,000	--	12,000,000		
Photo/film	4,000,000	--			
TOTAL	\$119,500,000	\$85,000,000	\$115,000,000	\$84,500,000	\$11,000,000