

104TH CONGRESS  
2D SESSION

**S. 1972**

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**AMENDMENT**

***In the House of Representatives, U. S.,***

*September 27, 1996.*

*Resolved,* That the bill from the Senate (S. 1972) entitled “An Act to amend the Older Americans Act of 1965 to improve the provisions relating to Indians, and for other purposes”, do pass with the following

**AMENDMENT:**

Strike out all after the enacting clause, and insert:

**1 SECTION 1. TABLE OF CONTENTS.**

*Sec. 1. Table of contents.*

**TITLE I—OLDER AMERICANS ACT OF 1965**

*Sec. 101. Indian employment; definition of Indian reservation.*

- Sec. 102. Population statistics development.*  
*Sec. 103. Reporting requirements.*  
*Sec. 104. Expenditure of funds for nutrition services.*  
*Sec. 105. Coordination of services.*

***TITLE II—EXTENSION OF PROGRAMS; MUSEUMS AND LIBRARIES***

***Subtitle A—Extension of Programs***

- Sec. 201. Extension of National Literacy Act of 1991.*  
*Sec. 202. Adult Education Act amendments.*  
*Sec. 203. Extension of Carl D. Perkins Vocational and Applied Technology Education Act.*

***Subtitle B—Museums and Libraries***

- Sec. 211. Museum and library services.*  
*Sec. 212. National Commission on Libraries and Information Science.*  
*Sec. 213. Transfer of functions from Institute of Museum Services.*  
*Sec. 214. Service of individuals serving on date of enactment.*  
*Sec. 215. Consideration.*  
*Sec. 216. Transition and transfer of funds.*

***TITLE III—HIGHER EDUCATION***

***Subtitle A—Debt Reduction***

- Sec. 301. Unsubsidized student loans.*  
*Sec. 302. Study of loan fees.*

***Subtitle B—Financial Responsibility Standards***

- Sec. 311. Extension of public comment period.*

***TITLE I—OLDER AMERICANS ACT  
OF 1965***

***SEC. 101. INDIAN EMPLOYMENT; DEFINITION OF INDIAN  
RESERVATION.***

*Section 502(b)(1)(B) of the Older Americans Act of  
1965 (42 U.S.C. 3056(b)(1)(B)) is amended to read as fol-  
lows:*

*“(B)(i) will provide employment for eligible in-  
dividuals in the community in which such individ-  
uals reside, or in nearby communities; or*

1           “(ii) if such project is carried out by a tribal or-  
 2           ganization that enters into an agreement under this  
 3           subsection or receives assistance from a State that en-  
 4           ters into such an agreement, will provide employment  
 5           for such individuals who are Indians residing on or  
 6           near an Indian reservation, as the term is defined in  
 7           section 2601(2) of the Energy Policy Act of 1992 (25  
 8           U.S.C. 3501(2));”.

9   **SEC. 102. POPULATION STATISTICS DEVELOPMENT.**

10          Section 614(b) of the Older Americans Act of 1965 (42  
 11   U.S.C. 3057e(b)) is amended by striking “certification” and  
 12   inserting “approval”.

13   **SEC. 103. REPORTING REQUIREMENTS.**

14          Section 614(c) of the Older Americans Act of 1965 (42  
 15   U.S.C. 3057e(c)) is amended—

16               (1) by inserting “(1)” after “(c)”; and

17               (2) by adding at the end the following new para-  
 18   graph:

19          “(2) The Assistant Secretary shall provide waivers and  
 20   exemptions of the reporting requirements of subsection  
 21   (a)(3) for applicants that serve Indian populations in geo-  
 22   graphically isolated areas, or applicants that serve small  
 23   Indian populations, where the small scale of the project, the  
 24   nature of the applicant, or other factors make the reporting  
 25   requirements unreasonable under the circumstances. The

1 *Assistant Secretary shall consult with such applicants in*  
 2 *establishing appropriate waivers and exemptions.”.*

3 **SEC. 104. EXPENDITURE OF FUNDS FOR NUTRITION SERV-**  
 4 **ICES.**

5 *Section 614(c) of the Older Americans Act of 1965 (42*  
 6 *U.S.C. 3057e(c)), as amended by section 103, is further*  
 7 *amended by adding at the end the following new paragraph:*  
 8 *“(3) In determining whether an application complies*  
 9 *with the requirements of subsection (a)(8), the Assistant*  
 10 *Secretary shall provide maximum flexibility to an appli-*  
 11 *cant who seeks to take into account subsistence needs, local*  
 12 *customs, and other characteristics that are appropriate to*  
 13 *the unique cultural, regional, and geographical needs of the*  
 14 *Indian populations to be served.”.*

15 **SEC. 105. COORDINATION OF SERVICES.**

16 *Section 614(c) of the Older Americans Act of 1965 (42*  
 17 *U.S.C. 3057e(c)), as amended by section 104, is further*  
 18 *amended by adding at the end the following new paragraph:*  
 19 *“(4) In determining whether an application complies*  
 20 *with the requirements of subsection (a)(12), the Assistant*  
 21 *Secretary shall require only that an applicant provide an*  
 22 *appropriate narrative description of the geographical area*  
 23 *to be served and an assurance that procedures will be adopt-*  
 24 *ed to ensure against duplicate services being provided to*  
 25 *the same recipients.”.*

1 **TITLE II—EXTENSION OF PRO-**  
 2 **GRAMS; MUSEUMS AND LI-**  
 3 **BRARIES**

4 **Subtitle A—Extension of Programs**

5 **SEC. 201. EXTENSION OF NATIONAL LITERACY ACT OF 1991.**

6 (a) *NATIONAL WORKFORCE LITERACY ASSISTANCE*  
 7 *COLLABORATIVE.*—Subsection (c) of section 201 of the Na-  
 8 *tional Literacy Act of 1991 (20 U.S.C. 1211–1(c)) is*  
 9 *amended by striking “\$5,000,000” and all that follows*  
 10 *through the period and inserting “such sums as may be nec-*  
 11 *essary for fiscal year 1997.”.*

12 (b) *FUNCTIONAL LITERACY AND LIFE SKILLS PRO-*  
 13 *GRAM FOR STATE AND LOCAL PRISONERS.*—Paragraph (3)  
 14 *of section 601(i) of the National Literacy Act of 1991 (20*  
 15 *U.S.C. 1211–2(i)) is amended by striking “\$10,000,000”*  
 16 *and all that follows through the period and inserting “such*  
 17 *sums as may be necessary for fiscal year 1997.”.*

18 **SEC. 202. ADULT EDUCATION ACT AMENDMENTS.**

19 *The Adult Education Act (20 U.S.C. 1201 et seq.) is*  
 20 *amended—*

21 (1) *in section 312—*

22 (A) *in each of subparagraphs (A) and (B)*  
 23 *of paragraph (11), by moving the left margin*  
 24 *two ems to the right;*

1           (B) in each of paragraphs (11) through  
 2           (15), by moving the left margin two ems to the  
 3           right; and

4           (C) by adding at the end the following:

5           “(16) The term ‘family literacy services’ means  
 6           services that are of sufficient intensity in terms of  
 7           hours, and of sufficient duration, to make sustainable  
 8           changes in a family and that integrate all of the fol-  
 9           lowing activities:

10           “(A) Interactive literacy activities between  
 11           parents and their children.

12           “(B) Training for parents on how to be the  
 13           primary teacher for their children and full part-  
 14           ners in the education of their children.

15           “(C) Parent literacy training.

16           “(D) An age-appropriate education pro-  
 17           gram for children.”;

18           (2) in section 313(a), by striking “the fiscal year  
 19           1991,” and all that follows through “1995” and in-  
 20           serting “fiscal year 1997”;

21           (3) in section 321, by inserting “and family lit-  
 22           eracy services” after “and activities”;

23           (4) in the first sentence of section 322(a)(1), by  
 24           inserting “and family literacy services” after “adult  
 25           education programs”;

1           (5) in section 341(a), by inserting “and for fam-  
2           ily literacy services” after “adult education”;

3           (6) in section 356(k), by striking “\$25,000,000”  
4           and all that follows through the period and inserting  
5           “such sums as may be necessary for fiscal year  
6           1997.”;

7           (7) in section 371(e)(1), by striking “the fiscal  
8           year 1991,” and all that follows through the period  
9           and inserting “fiscal year 1997.”;

10          (8) in section 384, by striking subsections (c)  
11          through (n); and

12          (9) by adding at the end the following:

13   **“SEC. 386. NATIONAL INSTITUTE FOR LITERACY.**

14       “(a) *ESTABLISHMENT.*—

15           “(1) *IN GENERAL.*—There is established the Na-  
16           tional Institute for Literacy (in this section referred  
17           to as the ‘Institute’). The Institute shall be adminis-  
18           tered under the terms of an interagency agreement en-  
19           tered into by the Secretary of Education with the Sec-  
20           retary of Labor and the Secretary of Health and  
21           Human Services (in this section referred to as the  
22           ‘Interagency Group’). The Interagency Group may  
23           include in the Institute any research and development  
24           center, institute, or clearinghouse established within  
25           the Department of Education, the Department of



1     *Labor, or the Department of Health and Human*  
 2     *Services whose purpose is determined by the Inter-*  
 3     *agency Group to be related to the purpose of the Insti-*  
 4     *tute.*

5             “(2) *OFFICES.*—*The Institute shall have offices*  
 6     *separate from the offices of the Department of Edu-*  
 7     *cation, the Department of Labor, and the Department*  
 8     *of Health and Human Services.*

9             “(3) *BOARD RECOMMENDATIONS.*—*The Inter-*  
 10    *agency Group shall consider the recommendations of*  
 11    *the National Institute for Literacy Advisory Board*  
 12    *(in this section referred to as the ‘Board’) established*  
 13    *under subsection (d) in planning the goals of the In-*  
 14    *stitute and in the implementation of any programs to*  
 15    *achieve such goals.*

16            “(4) *DAILY OPERATIONS.*—*The daily operations*  
 17    *of the Institute shall be carried out by the Director of*  
 18    *the Institute appointed under subsection (g).*

19            “(b) *DUTIES.*—

20               “(1) *IN GENERAL.*—*The Institute shall improve*  
 21    *the quality and accountability of the adult basic skills*  
 22    *and literacy delivery system by—*

23                   “(A) *providing national leadership for the*  
 24                   *improvement and expansion of the system for de-*  
 25                   *livery of literacy services;*

1           “(B) coordinating the delivery of such serv-  
 2           ices across Federal agencies;

3           “(C) identifying effective models of basic  
 4           skills and literacy education for adults and fam-  
 5           ilies that are essential to success in job training,  
 6           work, the family, and the community;

7           “(D) supporting the creation of new meth-  
 8           ods of offering improved literacy services;

9           “(E) funding a network of State or regional  
 10          adult literacy resource centers to assist State and  
 11          local public and private nonprofit efforts to im-  
 12          prove literacy by—

13               “(i) encouraging the coordination of  
 14               literacy services;

15               “(ii) carrying out evaluations of the ef-  
 16               fectiveness of adult education and literacy  
 17               activities;

18               “(iii) enhancing the capacity of State  
 19               and local organizations to provide literacy  
 20               services; and

21               “(iv) serving as a reciprocal link be-  
 22               tween the Institute and providers of adult  
 23               education and literacy activities for the  
 24               purpose of sharing information, data, re-  
 25               search, expertise, and literacy resources;

1           “(F) supporting the development of models  
 2           at the State and local level of accountability sys-  
 3           tems that consist of goals, performance measures,  
 4           benchmarks, and assessments that can be used to  
 5           improve the quality of adult education and lit-  
 6           eracy activities;

7           “(G) providing information, and other pro-  
 8           gram improvement activities to national, State,  
 9           and local organizations, such as—

10           “(i) improving the capacity of na-  
 11           tional, State, and local public and private  
 12           organizations that provide literacy and  
 13           basic skills services, professional develop-  
 14           ment, and technical assistance, such as the  
 15           State or regional adult literacy resource  
 16           centers referred to in subparagraph (E);  
 17           and

18           “(ii) establishing a national literacy  
 19           electronic database and communications  
 20           network;

21           “(H) working with the Interagency Group,  
 22           Federal agencies, and the Congress to ensure that  
 23           such Group, agencies, and the Congress have the  
 24           best information available on literacy and basic  
 25           skills programs in formulating Federal policy

1           *with respect to the issues of literacy, basic skills,*  
 2           *and workforce and career development; and*

3           “(I) *assisting with the development of pol-*  
 4           *icy with respect to literacy and basic skills.*

5           “(2) *GRANTS, CONTRACTS, AND AGREEMENTS.—*  
 6           *The Institute may make grants to, or enter into con-*  
 7           *tracts or cooperative agreements with, individuals,*  
 8           *public or private institutions, agencies, organizations,*  
 9           *or consortia of such institutions, agencies, or organi-*  
 10          *zations to carry out the activities of the Institute.*  
 11          *Such grants, contracts, or agreements shall be subject*  
 12          *to the laws and regulations that generally apply to*  
 13          *grants, contracts, or agreements entered into by Fed-*  
 14          *eral agencies.*

15          “(c) *LITERACY LEADERSHIP.—*

16               “(1) *FELLOWSHIPS.—The Institute, in consulta-*  
 17               *tion with the Board, may award fellowships, with*  
 18               *such stipends and allowances as the Director consid-*  
 19               *ers necessary, to outstanding individuals pursuing ca-*  
 20               *reers in adult education or literacy in the areas of in-*  
 21               *struction, management, research, or innovation.*

22               “(2) *USE OF FELLOWSHIPS.—Fellowships*  
 23               *awarded under this subsection shall be used, under*  
 24               *the auspices of the Institute, to engage in research,*  
 25               *education, training, technical assistance, or other ac-*

1        *tivities to advance the field of adult education or lit-*  
 2        *eracy, including the training of volunteer literacy*  
 3        *providers at the national, State, or local level.*

4                “(3) *INTERNS AND VOLUNTEERS.*—*The Institute,*  
 5        *in consultation with the Board, may award paid and*  
 6        *unpaid internships to individuals seeking to assist the*  
 7        *Institute in carrying out its mission. Notwithstand-*  
 8        *ing section 1342 of title 31, United States Code, the*  
 9        *Institute may accept and use voluntary and uncom-*  
 10        *pensated services as the Institute determines nec-*  
 11        *essary.*

12        “(d) *NATIONAL INSTITUTE FOR LITERACY ADVISORY*  
 13        *BOARD.*—

14                “(1) *ESTABLISHMENT.*—

15                “(A) *IN GENERAL.*—*There is established a*  
 16        *National Institute for Literacy Advisory Board.*  
 17        *The Board shall consist of 10 individuals ap-*  
 18        *pointed by the President, with the advice and*  
 19        *consent of the Senate, from individuals who—*

20                “(i) *are not otherwise officers or em-*  
 21        *ployees of the Federal Government; and*

22                “(ii) *are representative of entities or*  
 23        *groups described in subparagraph (B).*

1                   “(B) *ENTITIES OR GROUPS DESCRIBED.*—

2                   *The entities or groups referred to in subpara-*  
 3                   *graph (A) are—*

4                   “(i) *literacy organizations and provid-*  
 5                   *ers of literacy services, including—*

6                   “(I) *nonprofit providers of lit-*  
 7                   *eracy services;*

8                   “(II) *providers of programs and*  
 9                   *services involving English language in-*  
 10                  *struction; and*

11                  “(III) *providers of services receiv-*  
 12                  *ing assistance under this title;*

13                  “(ii) *businesses that have demonstrated*  
 14                  *interest in literacy programs;*

15                  “(iii) *literacy students;*

16                  “(iv) *experts in the area of literacy re-*  
 17                  *search;*

18                  “(v) *State and local governments; and*

19                  “(vi) *representatives of employees.*

20                  “(2) *DUTIES.*—*The Board—*

21                  “(A) *shall make recommendations concern-*  
 22                  *ing the appointment of the Director and staff of*  
 23                  *the Institute;*

24                  “(B) *shall provide independent advice on*  
 25                  *the operation of the Institute; and*

1           “(C) shall receive reports from the Inter-  
2           agency Group and the Director.

3           “(3) *FEDERAL ADVISORY COMMITTEE ACT.*—*Ex-*  
4           *cept as otherwise provided, the Board established by*  
5           *this subsection shall be subject to the provisions of the*  
6           *Federal Advisory Committee Act (5 U.S.C. App.).*

7           “(4) *TERMS.*—

8           “(A) *IN GENERAL.*—*Each member of the*  
9           *Board shall be appointed for a term of 3 years,*  
10          *except that the initial terms for members may be*  
11          *1, 2, or 3 years in order to establish a rotation*  
12          *in which  $\frac{1}{3}$  of the members are selected each*  
13          *year. Any such member may be appointed for*  
14          *not more than 2 consecutive terms.*

15          “(B) *VACANCY APPOINTMENTS.*—*Any mem-*  
16          *ber appointed to fill a vacancy occurring before*  
17          *the expiration of the term for which the member’s*  
18          *predecessor was appointed shall be appointed*  
19          *only for the remainder of that term. A member*  
20          *may serve after the expiration of that member’s*  
21          *term until a successor has taken office. A va-*  
22          *cancy in the Board shall be filled in the manner*  
23          *in which the original appointment was made. A*  
24          *vacancy in the Board shall not affect the powers*  
25          *of the Board.*

1           “(5) *QUORUM.*—A majority of the members of  
 2           the Board shall constitute a quorum but a lesser num-  
 3           ber may hold hearings. Any recommendation of the  
 4           Board may be passed only by a majority of the  
 5           Board’s members present.

6           “(6) *ELECTION OF OFFICERS.*—The Chairperson  
 7           and Vice Chairperson of the Board shall be elected by  
 8           the members of the Board. The term of office of the  
 9           Chairperson and Vice Chairperson shall be 2 years.

10          “(7) *MEETINGS.*—The Board shall meet at the  
 11          call of the Chairperson or a majority of the members  
 12          of the Board.

13          “(e) *GIFTS, BEQUESTS, AND DEVISES.*—The Institute  
 14          may accept, administer, and use gifts or donations of serv-  
 15          ices, money, or property, both real and personal.

16          “(f) *MAILS.*—The Board and the Institute may use the  
 17          United States mails in the same manner and under the  
 18          same conditions as other departments and agencies of the  
 19          Federal Government.

20          “(g) *DIRECTOR.*—The Interagency Group, after con-  
 21          sidering recommendations made by the Board, shall ap-  
 22          point and fix the pay of a Director.

23          “(h) *APPLICABILITY OF CERTAIN CIVIL SERVICE*  
 24          *LAWS.*—The Director and staff of the Institute may be ap-  
 25          pointed without regard to the provisions of title 5, United



1 *States Code, governing appointments in the competitive*  
 2 *service, and may be paid without regard to the provisions*  
 3 *of chapter 51 and subchapter III of chapter 53 of that title*  
 4 *relating to classification and General Schedule pay rates,*  
 5 *except that an individual so appointed may not receive pay*  
 6 *in excess of the maximum rate payable under section 5376*  
 7 *of title 5, United States Code.*

8       “(i) *EXPERTS AND CONSULTANTS.*—*The Board and*  
 9 *the Institute may procure temporary and intermittent serv-*  
 10 *ices under section 3109(b) of title 5, United States Code.*

11       “(j) *REPORT.*—*The Institute shall submit a report bi-*  
 12 *ennially to the Committee on Economic and Educational*  
 13 *Opportunities of the House of Representatives and the Com-*  
 14 *mittee on Labor and Human Resources of the Senate. Each*  
 15 *report submitted under this subsection shall include—*

16               “(1) *a comprehensive and detailed description of*  
 17 *the Institute’s operations, activities, financial condi-*  
 18 *tion, and accomplishments in the field of literacy for*  
 19 *the period covered by the report;*

20               “(2) *a description of how plans for the operation*  
 21 *of the Institute for the succeeding two fiscal years will*  
 22 *facilitate achievement of the goals of the Institute and*  
 23 *the goals of the literacy programs within the Depart-*  
 24 *ment of Education, the Department of Labor, and the*  
 25 *Department of Health and Human Services; and*

1           “(3) *any additional minority, or dissenting*  
2           *views submitted by members of the Board.*

3           “(k) *FUNDING.—Any amounts appropriated to the*  
4           *Secretary of Education, the Secretary of Labor, or the Sec-*  
5           *retary of Health and Human Services for purposes that the*  
6           *Institute is authorized to perform under this section may*  
7           *be provided to the Institute for such purposes.*

8           “(l) *AUTHORIZATION OF APPROPRIATIONS.—There are*  
9           *authorized to be appropriated \$10,000,000 for fiscal year*  
10          *1997 and such sums as may be necessary for each of the*  
11          *fiscal years 1998 through 2002 to carry out this section.”.*

12          **SEC. 203. EXTENSION OF CARL D. PERKINS VOCATIONAL**  
13                               **AND APPLIED TECHNOLOGY EDUCATION ACT.**

14          *Subsection (a) of section 3 of the Carl D. Perkins Voca-*  
15          *tional and Applied Technology Act is amended by striking*  
16          *“appropriated” and all that follows through “1995” and*  
17          *inserting “appropriated for fiscal year 1997 such sums as*  
18          *may be necessary”.*

19          ***Subtitle B—Museums and Libraries***

20          **SEC. 211. MUSEUM AND LIBRARY SERVICES.**

21          *The Museum Services Act (20 U.S.C. 961 et seq.) is*  
22          *amended to read as follows:*

1                   **“TITLE II—MUSEUM AND**  
 2                   **LIBRARY SERVICES**  
 3           **“Subtitle A—General Provisions**

4   **“SEC. 201. SHORT TITLE.**

5           *“This title may be cited as the ‘Museum and Library*  
 6   *Services Act’.*

7   **“SEC. 202. GENERAL DEFINITIONS.**

8           *“As used in this title:*

9                   *“(1) COMMISSION.—The term ‘Commission’*  
 10           *means the National Commission on Libraries and In-*  
 11           *formation Science established under section 3 of the*  
 12           *National Commission on Libraries and Information*  
 13           *Sciences Act (20 U.S.C. 1502).*

14                   *“(2) DIRECTOR.—The term ‘Director’ means the*  
 15           *Director of the Institute appointed under section 204.*

16                   *“(3) INSTITUTE.—The term ‘Institute’ means the*  
 17           *Institute of Museum and Library Services established*  
 18           *under section 203.*

19                   *“(4) MUSEUM BOARD.—The term ‘Museum*  
 20           *Board’ means the National Museum Services Board*  
 21           *established under section 275.*

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

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

1       “(b) *OFFICES.*—*The Institute shall consist of an Office*  
 2 *of Museum Services and an Office of Library Services.*  
 3 *There shall be a National Museum Services Board in the*  
 4 *Office of Museum Services.*

5       **“SEC. 204. DIRECTOR OF THE INSTITUTE.**

6       “(a) *APPOINTMENT.*—

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

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

12              “(3) *QUALIFICATIONS.*—*Beginning with the first*  
 13 *individual appointed to the position of Director after*  
 14 *the date of the enactment of the Act entitled ‘An Act*  
 15 *to amend the Older Americans Act of 1965, and for*  
 16 *other purposes’, every second individual so appointed*  
 17 *shall be appointed from among individuals who have*  
 18 *special competence with regard to library and infor-*  
 19 *mation services. Beginning with the second individual*  
 20 *appointed to the position of Director after the date of*  
 21 *enactment of the Act entitled ‘An Act to amend the*  
 22 *Older Americans Act of 1965, and for other purposes’,*  
 23 *every second individual so appointed shall be ap-*  
 24 *pointed from among individuals who have special*  
 25 *competence with regard to museum services.*

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

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

8       “(d) *NONDELEGATION.*—*The Director shall not dele-*  
 9   *gate any of the functions of the Director to any person who*  
 10   *is not an officer or employee of the Institute.*

11       “(e) *COORDINATION.*—*The Director shall ensure co-*  
 12   *ordination of the policies and activities of the Institute with*  
 13   *the policies and activities of other agencies and offices of*  
 14   *the Federal Government having interest in and responsibil-*  
 15   *ities for the improvement of museums and libraries and in-*  
 16   *formation services.*

17   **“SEC. 205. DEPUTY DIRECTORS.**

18       *“The Office of Library Services shall be headed by a*  
 19   *Deputy Director, who shall be appointed by the Director*  
 20   *from among individuals who have a graduate degree in li-*  
 21   *brary science and expertise in library and information*  
 22   *services. The Office of Museum Services shall be headed by*  
 23   *a Deputy Director, who shall be appointed by the Director*  
 24   *from among individuals who have expertise in museum*  
 25   *services.*

1   **“SEC. 206. PERSONNEL.**

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

7           “(b) *VOLUNTARY SERVICES.*—*The Director may accept*  
8 *and utilize the voluntary services of individuals and reim-*  
9 *burse the individuals for travel expenses, including per*  
10 *diem in lieu of subsistence, in the same amounts and to*  
11 *the same extent as authorized under section 5703 of title*  
12 *5, United States Code, for persons employed intermittently*  
13 *in Federal Government service.*

14   **“SEC. 207. CONTRIBUTIONS.**

15           *“The Institute is authorized to solicit, accept, receive,*  
16 *and invest in the name of the United States, gifts, bequests,*  
17 *or devises of money and other property or services and to*  
18 *use such property or services in furtherance of the functions*  
19 *of the Institute. Any proceeds from such gifts, bequests, or*  
20 *devises, after acceptance by the Institute, shall be paid by*  
21 *the donor or the representative of the donor to the Director.*  
22 *The Director shall enter the proceeds in a special interest-*  
23 *bearing account to the credit of the Institute for the pur-*  
24 *poses specified in each case.*

1    **“Subtitle B—Library Services and**  
 2                    **Technology**

3    **“SEC. 211. SHORT TITLE.**

4            *“This subtitle may be cited as the ‘Library Services*  
 5    *and Technology Act’.*

6    **“SEC. 212. PURPOSE.**

7            *“It is the purpose of this subtitle—*

8                    *“(1) to consolidate Federal library service pro-*  
 9    *grams;*

10                  *“(2) to stimulate excellence and promote access*  
 11    *to learning and information resources in all types of*  
 12    *libraries for individuals of all ages;*

13                  *“(3) to promote library services that provide all*  
 14    *users access to information through State, regional,*  
 15    *national and international electronic networks;*

16                  *“(4) to provide linkages among and between li-*  
 17    *braries; and*

18                  *“(5) to promote targeted library services to peo-*  
 19    *ple of diverse geographic, cultural, and socioeconomic*  
 20    *backgrounds, to individuals with disabilities, and to*  
 21    *people with limited functional literacy or information*  
 22    *skills.*

23    **“SEC. 213. DEFINITIONS.**

24            *“As used in this subtitle:*

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

11           “(2) *LIBRARY*.—The term ‘library’ includes—

12                   “(A) a public library;

13                   “(B) a public elementary school or second-  
 14           ary school library;

15                   “(C) an academic library;

16                   “(D) a research library, which for the pur-  
 17           poses of this subtitle means a library that—

18                           “(i) makes publicly available library  
 19                           services and materials suitable for scholarly  
 20                           research and not otherwise available to the  
 21                           public; and

22                           “(ii) is not an integral part of an in-  
 23                           stitution of higher education; and

24                   “(E) a private library, but only if the State  
 25           in which such private library is located deter-



1           *mines that the library should be considered a li-*  
 2           *brary for purposes of this subtitle.*

3           “(3) *LIBRARY CONSORTIUM.*—*The term ‘library*  
 4           *consortium’ means any local, statewide, regional,*  
 5           *interstate, or international cooperative association of*  
 6           *library entities which provides for the systematic and*  
 7           *effective coordination of the resources of school, public,*  
 8           *academic, and special libraries and information cen-*  
 9           *ters, for improved services for the clientele of such li-*  
 10          *brary entities.*

11          “(4) *STATE.*—*The term ‘State’, unless otherwise*  
 12          *specified, includes each of the 50 States of the United*  
 13          *States, the District of Columbia, the Commonwealth*  
 14          *of Puerto Rico, the United States Virgin Islands,*  
 15          *Guam, American Samoa, the Commonwealth of the*  
 16          *Northern Mariana Islands, the Republic of the Mar-*  
 17          *shall Islands, the Federated States of Micronesia, and*  
 18          *the Republic of Palau.*

19          “(5) *STATE LIBRARY ADMINISTRATIVE AGEN-*  
 20          *CY.*—*The term ‘State library administrative agency’*  
 21          *means the official agency of a State charged by the*  
 22          *law of the State with the extension and development*  
 23          *of public library services throughout the State.*

24          “(6) *STATE PLAN.*—*The term ‘State plan’ means*  
 25          *the document which gives assurances that the offi-*

1 *cially designated State library administrative agency*  
 2 *has the fiscal and legal authority and capability to*  
 3 *administer all aspects of this subtitle, provides assur-*  
 4 *ances for establishing the State's policies, priorities,*  
 5 *criteria, and procedures necessary to the implementa-*  
 6 *tion of all programs under this subtitle, submits cop-*  
 7 *ies for approval as required by regulations promul-*  
 8 *gated by the Director, identifies a State's library*  
 9 *needs, and sets forth the activities to be taken toward*  
 10 *meeting the identified needs supported with the assist-*  
 11 *ance of Federal funds made available under this sub-*  
 12 *title.*

13 **“SEC. 214. AUTHORIZATION OF APPROPRIATIONS.**

14 **“(a) AUTHORIZATION OF APPROPRIATIONS.—**

15 **“(1) IN GENERAL.—***There are authorized to be*  
 16 *appropriated \$150,000,000 for fiscal year 1997 and*  
 17 *such sums as may be necessary for each of the fiscal*  
 18 *years 1998 through 2002 to carry out this subtitle.*

19 **“(2) TRANSFER.—***The Secretary of Education*  
 20 *shall—*

21 **“(A) transfer any funds appropriated under**  
 22 *the authority of paragraph (1) to the Director to*  
 23 *enable the Director to carry out this subtitle; and*

1           “(B) not exercise any authority concerning  
 2           the administration of this title other than the  
 3           transfer described in subparagraph (A).

4           “(b) FORWARD FUNDING.—

5           “(1) IN GENERAL.—To the end of affording the  
 6           responsible Federal, State, and local officers adequate  
 7           notice of available Federal financial assistance for  
 8           carrying out ongoing library activities and projects,  
 9           appropriations for grants, contracts, or other pay-  
 10          ments under any program under this subtitle are au-  
 11          thorized to be included in the appropriations Act for  
 12          the fiscal year preceding the fiscal year during which  
 13          such activities and projects shall be carried out.

14          “(2) ADDITIONAL AUTHORIZATION OF APPRO-  
 15          PRIATIONS.—In order to effect a transition to the tim-  
 16          ing of appropriation action authorized by subsection  
 17          (a), the application of this section may result in the  
 18          enactment, in a fiscal year, of separate appropri-  
 19          ations for a program under this subtitle (whether in  
 20          the same appropriations Act or otherwise) for two  
 21          consecutive fiscal years.

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

1                   **“CHAPTER 1—BASIC PROGRAM**  
 2                               **REQUIREMENTS**

3   **“SEC. 221. RESERVATIONS AND ALLOTMENTS.**

4           “(a) *RESERVATIONS.—*

5                   “(1) *IN GENERAL.—From the amount appro-*  
 6                   *priated under the authority of section 214 for any fis-*  
 7                   *cal year, the Director—*

8                               “(A) *shall reserve 1½ percent to award*  
 9                               *grants in accordance with section 261; and*

10                              “(B) *shall reserve 4 percent to award na-*  
 11                              *tional leadership grants or contracts in accord-*  
 12                              *ance with section 262.*

13                   “(2) *SPECIAL RULE.—If the funds reserved pur-*  
 14                   *suant to paragraph (1)(B) for a fiscal year have not*  
 15                   *been obligated by the end of such fiscal year, then*  
 16                   *such funds shall be allotted in accordance with sub-*  
 17                   *section (b) for the fiscal year succeeding the fiscal*  
 18                   *year for which the funds were so reserved.*

19           “(b) *ALLOTMENTS.—*

20                   “(1) *IN GENERAL.—From the sums appropriated*  
 21                   *under the authority of section 214 and not reserved*  
 22                   *under subsection (a) for any fiscal year, the Director*  
 23                   *shall award grants from minimum allotments, as de-*  
 24                   *termined under paragraph (3), to each State. Any*  
 25                   *sums remaining after minimum allotments are made*

1     *for such year shall be allotted in the manner set forth*  
 2     *in paragraph (2).*

3             “(2) *REMAINDER.*—*From the remainder of any*  
 4     *sums appropriated under the authority of section 214*  
 5     *that are not reserved under subsection (a) and not al-*  
 6     *lotted under paragraph (1) for any fiscal year, the*  
 7     *Director shall award grants to each State in an*  
 8     *amount that bears the same relation to such remain-*  
 9     *der as the population of the State bears to the popu-*  
 10    *lation of all States.*

11            “(3) *MINIMUM ALLOTMENT.*—

12               “(A) *IN GENERAL.*—*For the purposes of this*  
 13     *subsection, the minimum allotment for each*  
 14     *State shall be \$340,000, except that the mini-*  
 15     *imum allotment shall be \$40,000 in the case of*  
 16     *the United States Virgin Islands, Guam, Amer-*  
 17     *ican Samoa, the Commonwealth of the Northern*  
 18     *Mariana Islands, the Republic of the Marshall*  
 19     *Islands, the Federated States of Micronesia, and*  
 20     *the Republic of Palau.*

21               “(B) *RATABLE REDUCTIONS.*—*If the sum*  
 22     *appropriated under the authority of section 214*  
 23     *and not reserved under subsection (a) for any*  
 24     *fiscal year is insufficient to fully satisfy the ag-*  
 25     *gregate of the minimum allotments for all States*

1       *for that purpose for such year, each of such min-*  
 2       *imum allotments shall be reduced ratably.*

3               “(C) *SPECIAL RULE.*—

4               “(i) *IN GENERAL.*—Notwithstanding  
 5       *any other provision of this subsection and*  
 6       *using funds allotted for the Republic of the*  
 7       *Marshall Islands, the Federated States of*  
 8       *Micronesia, and the Republic of Palau*  
 9       *under this subsection, the Director shall*  
 10       *award grants to Guam, American Samoa,*  
 11       *the Commonwealth of the Northern Mariana*  
 12       *Islands, the Republic of the Marshall Is-*  
 13       *lands, the Federated States of Micronesia,*  
 14       *or the Republic of Palau to carry out ac-*  
 15       *tivities described in this subtitle in accord-*  
 16       *ance with the provisions of this subtitle that*  
 17       *the Director determines are not inconsistent*  
 18       *with this subparagraph.*

19              “(ii) *AWARD BASIS.*—*The Director*  
 20       *shall award grants pursuant to clause (i)*  
 21       *on a competitive basis and pursuant to rec-*  
 22       *ommendations from the Pacific Region*  
 23       *Educational Laboratory in Honolulu, Ha-*  
 24       *waii.*

1                   “(iii) *TERMINATION OF ELIGIBILITY.*—  
 2                   *Notwithstanding any other provision of law,*  
 3                   *the Republic of the Marshall Islands, the*  
 4                   *Federated States of Micronesia, and the Re-*  
 5                   *public of Palau shall not receive any funds*  
 6                   *under this subtitle for any fiscal year that*  
 7                   *begins after September 30, 2001.*

8                   “(iv) *ADMINISTRATIVE COSTS.*—*The*  
 9                   *Director may provide not more than 5 per-*  
 10                   *cent of the funds made available for grants*  
 11                   *under this subparagraph to pay the admin-*  
 12                   *istrative costs of the Pacific Region Edu-*  
 13                   *cational Laboratory regarding activities as-*  
 14                   *sisted under this subparagraph.*

15                   “(4) *DATA.*—*The population of each State and of*  
 16                   *all the States shall be determined by the Director on*  
 17                   *the basis of the most recent data available from the*  
 18                   *Bureau of the Census.*

19                   **“SEC. 222. ADMINISTRATION.**

20                   “(a) *IN GENERAL.*—*Not more than 4 percent of the*  
 21                   *total amount of funds received under this subtitle for any*  
 22                   *fiscal year by a State may be used for administrative costs.*

23                   “(b) *CONSTRUCTION.*—*Nothing in this section shall be*  
 24                   *construed to limit spending for evaluation costs under sec-*  
 25                   *tion 224(c) from sources other than this subtitle.*

1   **“SEC. 223. PAYMENTS; FEDERAL SHARE; AND MAINTENANCE**  
 2                   **OF EFFORT REQUIREMENTS.**

3           “(a) *PAYMENTS.*—Subject to appropriations provided  
 4   pursuant to section 214, the Director shall pay to each State  
 5   library administrative agency having a State plan ap-  
 6   proved under section 224 the Federal share of the cost of  
 7   the activities described in the State plan.

8           “(b) *FEDERAL SHARE.*—

9               “(1) *IN GENERAL.*—The Federal share shall be  
 10   66 percent.

11              “(2) *NON-FEDERAL SHARE.*—The non-Federal  
 12   share of payments shall be provided from non-Fed-  
 13   eral, State, or local sources.

14           “(c) *MAINTENANCE OF EFFORT.*—

15               “(1) *STATE EXPENDITURES.*—

16                   “(A) *REQUIREMENT.*—

17                       “(i) *IN GENERAL.*—The amount other-  
 18                   wise payable to a State for a fiscal year  
 19                   pursuant to an allotment under this chapter  
 20                   shall be reduced if the level of State expendi-  
 21                   tures, as described in paragraph (2), for the  
 22                   previous fiscal year is less than the average  
 23                   of the total of such expenditures for the 3  
 24                   fiscal years preceding that previous fiscal  
 25                   year. The amount of the reduction in allot-  
 26                   ment for any fiscal year shall be equal to



1           *the amount by which the level of such State*  
 2           *expenditures for the fiscal year for which*  
 3           *the determination is made is less than the*  
 4           *average of the total of such expenditures for*  
 5           *the 3 fiscal years preceding the fiscal year*  
 6           *for which the determination is made.*

7           “(ii) *CALCULATION.*—Any decrease in  
 8           *State expenditures resulting from the appli-*  
 9           *cation of subparagraph (B) shall be ex-*  
 10          *cluded from the calculation of the average*  
 11          *level of State expenditures for any 3-year*  
 12          *period described in clause (i).*

13          “(B) *DECREASE IN FEDERAL SUPPORT.*—If  
 14          *the amount made available under this subtitle*  
 15          *for a fiscal year is less than the amount made*  
 16          *available under this subtitle for the preceding fis-*  
 17          *cal year, then the expenditures required by sub-*  
 18          *paragraph (A) for such preceding fiscal year*  
 19          *shall be decreased by the same percentage as the*  
 20          *percentage decrease in the amount so made*  
 21          *available.*

22          “(2) *LEVEL OF STATE EXPENDITURES.*—The  
 23          *level of State expenditures for the purposes of para-*  
 24          *graph (1) shall include all State dollars expended by*  
 25          *the State library administrative agency for library*

1     *programs that are consistent with the purposes of this*  
 2     *subtitle. All funds included in the maintenance of ef-*  
 3     *fort calculation under this subsection shall be ex-*  
 4     *pended during the fiscal year for which the deter-*  
 5     *mination is made, and shall not include capital ex-*  
 6     *penditures, special one-time project costs, or similar*  
 7     *windfalls.*

8             “(3) *WAIVER.*—*The Director may waive the re-*  
 9     *quirements of paragraph (1) if the Director deter-*  
 10    *mines that such a waiver would be equitable due to*  
 11    *exceptional or uncontrollable circumstances such as a*  
 12    *natural disaster or a precipitous and unforeseen de-*  
 13    *cline in the financial resources of the State.*

14    **“SEC. 224. STATE PLANS.**

15             “(a) *STATE PLAN REQUIRED.*—

16             “(1) *IN GENERAL.*—*In order to be eligible to re-*  
 17    *ceive a grant under this subtitle, a State library ad-*  
 18    *ministrative agency shall submit a State plan to the*  
 19    *Director not later than April 1, 1997.*

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

22             “(3) *REVISIONS.*—*If a State library administra-*  
 23    *tive agency makes a substantive revision to its State*  
 24    *plan, then the State library administrative agency*  
 25    *shall submit to the Director an amendment to the*

1     *State plan containing such revision not later than*  
 2     *April 1 of the fiscal year preceding the fiscal year for*  
 3     *which the amendment will be effective.*

4     “(b) *CONTENTS.*—*The State plan shall—*

5         “(1) *establish goals, and specify priorities, for*  
 6         *the State consistent with the purposes of this subtitle;*

7         “(2) *describe activities that are consistent with*  
 8         *the goals and priorities established under paragraph*  
 9         *(1), the purposes of this subtitle, and section 231, that*  
 10         *the State library administrative agency will carry*  
 11         *out during such year using such grant;*

12         “(3) *describe the procedures that such agency*  
 13         *will use to carry out the activities described in para-*  
 14         *graph (2);*

15         “(4) *describe the methodology that such agency*  
 16         *will use to evaluate the success of the activities estab-*  
 17         *lished under paragraph (2) in achieving the goals*  
 18         *and meeting the priorities described in paragraph*  
 19         *(1);*

20         “(5) *describe the procedures that such agency*  
 21         *will use to involve libraries and library users*  
 22         *throughout the State in policy decisions regarding*  
 23         *implementation of this subtitle; and*

24         “(6) *provide assurances satisfactory to the Direc-*  
 25         *tor that such agency will make such reports, in such*

1        *form and containing such information, as the Direc-*  
 2        *tor may reasonably require to carry out this subtitle*  
 3        *and to determine the extent to which funds provided*  
 4        *under this subtitle have been effective in carrying out*  
 5        *the purposes of this subtitle.*

6        “(c) *EVALUATION AND REPORT.*—*Each State library*  
 7        *administrative agency receiving a grant under this subtitle*  
 8        *shall independently evaluate, and report to the Director re-*  
 9        *garding, the activities assisted under this subtitle, prior to*  
 10       *the end of the 5-year plan.*

11       “(d) *INFORMATION.*—*Each library receiving assistance*  
 12       *under this subtitle shall submit to the State library admin-*  
 13       *istrative agency such information as such agency may re-*  
 14       *quire to meet the requirements of subsection (c).*

15       “(e) *APPROVAL.*—

16                “(1) *IN GENERAL.*—*The Director shall approve*  
 17        *any State plan under this subtitle that meets the re-*  
 18        *quirements of this subtitle and provides satisfactory*  
 19        *assurances that the provisions of such plan will be*  
 20        *carried out.*

21                “(2) *PUBLIC AVAILABILITY.*—*Each State library*  
 22        *administrative agency receiving a grant under this*  
 23        *subtitle shall make the State plan available to the*  
 24        *public.*

1           “(3) *ADMINISTRATION.*—*If the Director deter-*  
 2           *mines that the State plan does not meet the require-*  
 3           *ments of this section, the Director shall—*

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

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

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

12                  “(D) *provide the State library administra-*  
 13                  *tive agency the opportunity for a hearing.*

## 14           **“CHAPTER 2—LIBRARY PROGRAMS**

### 15   **“SEC. 231. GRANTS TO STATES.**

16           “(a) *IN GENERAL.*—*Of the funds provided to a State*  
 17           *library administrative agency under section 214, such*  
 18           *agency shall expend, either directly or through subgrants*  
 19           *or cooperative agreements, at least 96 percent of such funds*  
 20           *for—*

21                   “(1) *establishing or enhancing electronic linkages*  
 22                   *among or between libraries and library consortia; and*

23                   “(2) *targeting library and information services*  
 24                   *to persons having difficulty using a library and to*  
 25                   *underserved urban and rural communities, including*

1        *children (from birth through age 17) from families*  
 2        *with incomes below the poverty line (as defined by the*  
 3        *Office of Management and Budget and revised annu-*  
 4        *ally in accordance with section 673(2) of the Commu-*  
 5        *nity Services Block Grant Act (42 U.S.C. 9902(2))*  
 6        *applicable to a family of the size involved.*

7        *“(b) SPECIAL RULE.—Each State library administra-*  
 8        *tive agency receiving funds under this chapter may appor-*  
 9        *tion the funds available for the purposes described in sub-*  
 10       *section (a) between the two purposes described in para-*  
 11       *graphs (1) and (2) of such subsection, as appropriate, to*  
 12       *meet the needs of the individual State.*

13                    **“CHAPTER 3—ADMINISTRATIVE**  
 14                    **PROVISIONS**

15                    **“Subchapter A—State Requirements**

16        **“SEC. 251. STATE ADVISORY COUNCILS.**

17        *“Each State desiring assistance under this subtitle*  
 18        *may establish a State advisory council which is broadly*  
 19        *representative of the library entities in the State, including*  
 20        *public, school, academic, special, and institutional librar-*  
 21        *ies, and libraries serving individuals with disabilities.*

22                    **“Subchapter B—Federal Requirements**

23        **“SEC. 261. SERVICES FOR INDIAN TRIBES.**

24        *“From amounts reserved under section 221(a)(1)(A)*  
 25        *for any fiscal year the Director shall award grants to orga-*

1 nizations primarily serving and representing Indian tribes  
 2 to enable such organizations to carry out the activities de-  
 3 scribed in section 231.

4 **“SEC. 262. NATIONAL LEADERSHIP GRANTS OR CONTRACTS.**

5       “(a) *IN GENERAL.*—From the amounts reserved under  
 6 section 221(a)(1)(B) for any fiscal year the Director shall  
 7 establish and carry out a program awarding national lead-  
 8 ership grants or contracts to enhance the quality of library  
 9 services nationwide and to provide coordination between li-  
 10 braries and museums. Such grants or contracts shall be  
 11 used for activities that may include—

12               “(1) education and training of persons in li-  
 13 brary and information science, particularly in areas  
 14 of new technology and other critical needs, including  
 15 graduate fellowships, traineeships, institutes, or other  
 16 programs;

17               “(2) research and demonstration projects related  
 18 to the improvement of libraries, education in library  
 19 and information science, enhancement of library serv-  
 20 ices through effective and efficient use of new tech-  
 21 nologies, and dissemination of information derived  
 22 from such projects;

23               “(3) preservation or digitization of library mate-  
 24 rials and resources, giving priority to projects empha-  
 25 sizing coordination, avoidance of duplication, and ac-

1        *cess by researchers beyond the institution or library*  
 2        *entity undertaking the project; and*

3            *“(4) model programs demonstrating cooperative*  
 4        *efforts between libraries and museums.*

5        *“(b) GRANTS OR CONTRACTS.—*

6            *“(1) IN GENERAL.—The Director may carry out*  
 7        *the activities described in subsection (a) by awarding*  
 8        *grants to, or entering into contracts with, libraries,*  
 9        *agencies, institutions of higher education, or muse-*  
 10       *ums, where appropriate.*

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

14           *“(c) SPECIAL RULE.—The Director shall make every*  
 15        *effort to ensure that activities assisted under this section*  
 16        *are administered by appropriate library and museum pro-*  
 17        *fessionals or experts.*

18        **“SEC. 263. STATE AND LOCAL INITIATIVES.**

19           *“Nothing in this subtitle shall be construed to interfere*  
 20        *with State and local initiatives and responsibility in the*  
 21        *conduct of library services. The administration of libraries,*  
 22        *the selection of personnel and library books and materials,*  
 23        *and insofar as consistent with the purposes of this subtitle,*  
 24        *the determination of the best uses of the funds provided*



1 *under this subtitle, shall be reserved for the States and their*  
 2 *local subdivisions.*

### 3       **“Subtitle C—Museum Services**

#### 4       **“SEC. 271. PURPOSE.**

5       *“It is the purpose of this subtitle—*

6               *“(1) to encourage and assist museums in their*  
 7 *educational role, in conjunction with formal systems*  
 8 *of elementary, secondary, and postsecondary edu-*  
 9 *cation, and with programs of nonformal education for*  
 10 *all age groups;*

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

15              *“(3) to ease the financial burden borne by muse-*  
 16 *ums as a result of their increasing use by the public.*

#### 17       **“SEC. 272. DEFINITIONS.**

18       *“As used in this subtitle:*

19              *“(1) MUSEUM.—The term ‘museum’ means a*  
 20 *public or private nonprofit agency or institution or-*  
 21 *ganized on a permanent basis for essentially edu-*  
 22 *cational or aesthetic purposes, that utilizes a profes-*  
 23 *sional staff, owns or utilizes tangible objects, cares for*  
 24 *the tangible objects, and exhibits the tangible objects*  
 25 *to the public on a regular basis.*

1           “(2) *STATE*.—The term ‘State’ means each of the  
 2           50 States of the United States, the District of Colum-  
 3           bia, the Commonwealth of Puerto Rico, the United  
 4           States Virgin Islands, Guam, American Samoa, the  
 5           Commonwealth of the Northern Mariana Islands, the  
 6           Republic of the Marshall Islands, the Federated States  
 7           of Micronesia, and the Republic of Palau.

8   **“SEC. 273. MUSEUM SERVICES ACTIVITIES.**

9           “(a) *GRANTS*.—The Director, subject to the policy di-  
 10          rection of the Museum Board, may make grants to museums  
 11          to pay for the Federal share of the cost of increasing and  
 12          improving museum services, through such activities as—

13               “(1) programs that enable museums to construct  
 14               or install displays, interpretations, and exhibitions in  
 15               order to improve museum services provided to the  
 16               public;

17               “(2) assisting museums in developing and main-  
 18               taining professionally trained or otherwise experi-  
 19               enced staff to meet the needs of the museums;

20               “(3) assisting museums in meeting the adminis-  
 21               trative costs of preserving and maintaining the collec-  
 22               tions of the museums, exhibiting the collections to the  
 23               public, and providing educational programs to the  
 24               public through the use of the collections;

1           “(4) assisting museums in cooperating with each  
 2           other in developing traveling exhibitions, meeting  
 3           transportation costs, and identifying and locating col-  
 4           lections available for loan;

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

7           “(6) developing and carrying out specialized  
 8           programs for specific segments of the public, such as  
 9           programs for urban neighborhoods, rural areas, In-  
 10          dian reservations, and penal and other State institu-  
 11          tions; and

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

14          “(b) *CONTRACTS AND COOPERATIVE AGREEMENTS.*—

15          “(1) *PROJECTS TO STRENGTHEN MUSEUM SERV-*  
 16          *ICES.*—*The Director, subject to the policy direction of*  
 17          *the Museum Board, is authorized to enter into con-*  
 18          *tracts and cooperative agreements with appropriate*  
 19          *entities, as determined by the Director, to pay for the*  
 20          *Federal share of enabling the entities to undertake*  
 21          *projects designed to strengthen museum services, ex-*  
 22          *cept that any contracts or cooperative agreements en-*  
 23          *tered into pursuant to this subsection shall be effective*  
 24          *only to such extent or in such amounts as are pro-*  
 25          *vided in appropriations acts.*

1           “(2) *LIMITATION ON AMOUNT.*—*The aggregate*  
 2           *amount of financial assistance made available under*  
 3           *this subsection for a fiscal year shall not exceed 15*  
 4           *percent of the amount appropriated under this sub-*  
 5           *title for such fiscal year.*

6           “(3) *OPERATIONAL EXPENSES.*—*No financial as-*  
 7           *sistance may be provided under this subsection to pay*  
 8           *for operational expenses.*

9           “(c) *FEDERAL SHARE.*—

10           “(1) *50 PERCENT.*—*Except as provided in para-*  
 11           *graph (2), the Federal share described in subsections*  
 12           *(a) and (b) shall be not more than 50 percent.*

13           “(2) *GREATER THAN 50 PERCENT.*—*The Director*  
 14           *may use not more than 20 percent of the funds made*  
 15           *available under this subtitle for a fiscal year to make*  
 16           *grants under subsection (a), or enter into contracts or*  
 17           *agreements under subsection (b), for which the Fed-*  
 18           *eral share may be greater than 50 percent.*

19           “(d) *REVIEW AND EVALUATION.*—*The Director shall*  
 20           *establish procedures for reviewing and evaluating grants,*  
 21           *contracts, and cooperative agreements made or entered into*  
 22           *under this subtitle. Procedures for reviewing grant applica-*  
 23           *tions or contracts and cooperative agreements for financial*  
 24           *assistance under this subtitle shall not be subject to any*  
 25           *review outside of the Institute.*

1 **“SEC. 274. AWARD.**

2       *“The Director, with the advice of the Museum Board,*  
 3 *may annually award a National Award for Museum Serv-*  
 4 *ice to outstanding museums that have made significant con-*  
 5 *tributions in service to their communities.*

6 **“SEC. 275. NATIONAL MUSEUM SERVICES BOARD.**

7       *“(a) ESTABLISHMENT.—There is established in the In-*  
 8 *stitute a National Museum Services Board.*

9       *“(b) COMPOSITION AND QUALIFICATIONS.—*

10           *“(1) COMPOSITION.—The Museum Board shall*  
 11 *consist of the Director and 14 members appointed by*  
 12 *the President, by and with the advice and consent of*  
 13 *the Senate.*

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

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

18           *“(B) who are or have been affiliated with—*

19           *“(i) resources that, collectively, are*  
 20 *broadly representative of the curatorial,*  
 21 *conservation, educational, and cultural re-*  
 22 *sources of the United States; or*

23           *“(ii) museums that, collectively, are*  
 24 *broadly representative of various types of*  
 25 *museums, including museums relating to*

1           *science, history, technology, art, zoos, and*  
 2           *botanical gardens; and*

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

6           “(3) *GEOGRAPHIC AND OTHER REPRESENTA-*  
 7           *TION.—Members of the Museum Board shall be ap-*  
 8           *pointed to reflect persons from various geographic re-*  
 9           *gions of the United States. The Museum Board may*  
 10          *not include, at any time, more than 3 members from*  
 11          *a single State. In making such appointments, the*  
 12          *President shall give due regard to equitable represen-*  
 13          *tation of women, minorities, and persons with dis-*  
 14          *abilities who are involved with museums.*

15          “(c) *TERMS.—*

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

19           “(A) *of the members first appointed, 3 shall*  
 20          *serve for terms of 5 years, 3 shall serve for terms*  
 21          *of 4 years, 3 shall serve for terms of 3 years, 3*  
 22          *shall serve for terms of 2 years, and 2 shall serve*  
 23          *for terms of 1 year, as designated by the Presi-*  
 24          *dent at the time of nomination for appointment;*  
 25          *and*

1           “(B) any member appointed to fill a va-  
 2           cancy shall serve for the remainder of the term  
 3           for which the predecessor of the member was ap-  
 4           pointed.

5           “(2) REAPPOINTMENT.—No member of the Mu-  
 6           seum Board who has been a member for more than  
 7           7 consecutive years shall be eligible for reappoint-  
 8           ment.

9           “(3) SERVICE UNTIL SUCCESSOR TAKES OF-  
 10          FICE.—Notwithstanding any other provision of this  
 11          subsection, a member of the Museum Board shall serve  
 12          after the expiration of the term of the member until  
 13          the successor to the member takes office.

14          “(d) DUTIES AND POWERS.—The Museum Board shall  
 15          have the responsibility to advise the Director on general  
 16          policies with respect to the duties, powers, and authority  
 17          of the Institute relating to museum services, including gen-  
 18          eral policies with respect to—

19                 “(1) financial assistance awarded under this  
 20                 subtitle for museum services; and

21                 “(2) projects described in section 262(a)(4).

22          “(e) CHAIRPERSON.—The President shall designate 1  
 23          of the appointive members of the Museum Board as Chair-  
 24          person of the Museum Board.

25          “(f) MEETINGS.—

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

3                   “(A) *not less than 3 times each year, in-*  
4       *cluding—*

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

7                           “(ii) *not less than 1 time each year in*  
8                   *a joint meeting with the Commission, con-*  
9                   *vened for purposes of making general poli-*  
10                  *cies with respect to financial assistance for*  
11                  *projects described in section 262(a)(4); and*  
12                  “(B) *at the call of the Director.*

13                  “(2) *VOTE.*—*All decisions by the Museum Board*  
14       *with respect to the exercise of the duties and powers*  
15       *of the Museum Board shall be made by a majority*  
16       *vote of the members of the Museum Board who are*  
17       *present. All decisions by the Commission and the Mu-*  
18       *seum Board with respect to the policies described in*  
19       *paragraph (1)(A)(ii) shall be made by a  $\frac{2}{3}$  majority*  
20       *vote of the total number of the members of the Com-*  
21       *mission and the Museum Board who are present.*

22                  “(g) *QUORUM.*—*A majority of the members of the Mu-*  
23       *seum Board shall constitute a quorum for the conduct of*  
24       *business at official meetings of the Museum Board, but a*  
25       *lesser number of members may hold hearings. A majority*



1 *of the members of the Commission and a majority of the*  
 2 *members of the Museum Board shall constitute a quorum*  
 3 *for the conduct of business at official joint meetings of the*  
 4 *Commission and the Museum Board.*

5 “(h) *COMPENSATION AND TRAVEL EXPENSES.*—

6 “(1) *COMPENSATION.*—*Each member of the Mu-*  
 7 *seum Board who is not an officer or employee of the*  
 8 *Federal Government may be compensated at a rate to*  
 9 *be fixed by the President, but not to exceed the daily*  
 10 *equivalent of the maximum rate authorized for a po-*  
 11 *sition above grade GS–15 of the General Schedule*  
 12 *under section 5108 of title 5, United States Code, for*  
 13 *each day (including travel time) during which such*  
 14 *member is engaged in the performance of the duties*  
 15 *of the Museum Board. All members of the Museum*  
 16 *Board who are officers or employees of the Federal*  
 17 *Government shall serve without compensation in ad-*  
 18 *dition to compensation received for their services as*  
 19 *officers or employees of the Federal Government.*

20 “(2) *TRAVEL EXPENSES.*—*The members of the*  
 21 *Museum Board may be allowed travel expenses, in-*  
 22 *cluding per diem in lieu of subsistence, in the same*  
 23 *amounts and to the same extent, as authorized under*  
 24 *section 5703 of title 5, United States Code, for per-*

1        sons employed intermittently in Federal Government  
2        service.

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

7        **“SEC. 276. AUTHORIZATION OF APPROPRIATIONS.**

8        “(a) *GRANTS.*—*For the purpose of carrying out this*  
9        *subtitle, there are authorized to be appropriated to the Di-*  
10       *rector \$28,700,000 for the fiscal year 1997, and such sums*  
11       *as may be necessary for each of the fiscal years 1998*  
12       *through 2002.*

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

17       “(c) *SUMS REMAINING AVAILABLE.*—*Sums appro-*  
18       *riated pursuant to subsection (a) for any fiscal year shall*  
19       *remain available for obligation until expended.”.*

20       **SEC. 212. NATIONAL COMMISSION ON LIBRARIES AND IN-**  
21       **FORMATION SCIENCE.**

22       (a) *FUNCTIONS.*—*Section 5 of the National Commis-*  
23       *sion on Libraries and Information Science Act (20 U.S.C.*  
24       *1504) is amended—*

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

3           (2) *by inserting after subsection (a) the follow-*  
 4           *ing:*

5           “(b) *The Commission shall have the responsibility to*  
 6           *advise the Director of the Institute of Museum and Library*  
 7           *Services on general policies with respect to the duties, pow-*  
 8           *ers, and authority of the Institute of Museum and Library*  
 9           *Services relating to library services, including—*

10           “(1) *general policies with respect to—*

11                   “(A) *financial assistance awarded under the*  
 12                   *Museum and Library Services Act for library*  
 13                   *services; and*

14                   “(B) *projects described in section 262(a)(4)*  
 15                   *of such Act; and*

16           “(2) *measures to ensure that the policies and ac-*  
 17           *tivities of the Institute of Museum and Library Serv-*  
 18           *ices are coordinated with other activities of the Fed-*  
 19           *eral Government.*

20           “(c)(1) *The Commission shall meet not less than 1 time*  
 21           *each year in a joint meeting with the National Museum*  
 22           *Services Board, convened for purposes of providing advice*  
 23           *on general policy with respect to financial assistance for*  
 24           *projects described in section 262(a)(4) of such Act.*

1       “(2) *All decisions by the Commission and the National*  
 2 *Museum Services Board with respect to the advice on gen-*  
 3 *eral policy described in paragraph (1) shall be made by*  
 4 *a 2/3 majority vote of the total number of the members of*  
 5 *the Commission and the National Museum Services Board*  
 6 *who are present.*

7       “(3) *A majority of the members of the Commission and*  
 8 *a majority of the members of the National Museum Services*  
 9 *Board shall constitute a quorum for the conduct of business*  
 10 *at official joint meetings of the Commission and the Na-*  
 11 *tional Museum Services Board.”.*

12       (b) *MEMBERSHIP.*—Section 6 of the National Commis-  
 13 *sion on Libraries and Information Science Act (20 U.S.C.*  
 14 *1505) is amended—*

15               (1) *in subsection (a)—*

16                       (A) *in the first sentence, by striking “Li-*  
 17 *brarian of Congress” and inserting “Librarian*  
 18 *of Congress, the Director of the Institute of Mu-*  
 19 *seum and Library Services (who shall serve as*  
 20 *an ex officio, nonvoting member),”;*

21                       (B) *in the second sentence—*

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

1                   (ii) by inserting before the period the  
 2                   following: “and at least one other of whom  
 3                   shall be knowledgeable with respect to the li-  
 4                   brary and information service and science  
 5                   needs of the elderly”;

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

8                   (D) in the last sentence, by striking “term  
 9                   and at least” and all that follows and inserting  
 10                  “term.”; and

11                  (2) in subsection (b), by striking “the rate speci-  
 12                  fied” and all that follows through “and while” and  
 13                  inserting “the daily equivalent of the maximum rate  
 14                  authorized for a position above grade GS-15 of the  
 15                  General Schedule under section 5108 of title 5, United  
 16                  States Code, for each day (including traveltime) dur-  
 17                  ing which the members are engaged in the business of  
 18                  the Commission. While”.

19 **SEC. 213. TRANSFER OF FUNCTIONS FROM INSTITUTE OF**  
 20 **MUSEUM SERVICES.**

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

23                   (1) the term “Federal agency” has the meaning  
 24                   given to the term “agency” by section 551(1) of title  
 25                   5, United States Code;

1           (2) *the term “function” means any duty, obliga-*  
 2           *tion, power, authority, responsibility, right, privilege,*  
 3           *activity, or program; and*

4           (3) *the term “office” includes any office, admin-*  
 5           *istration, agency, institute, unit, organizational en-*  
 6           *tity, or component thereof.*

7           (b) *TRANSFER OF FUNCTIONS FROM THE INSTITUTE*  
 8           *OF MUSEUM SERVICES AND THE LIBRARY PROGRAM OF-*  
 9           *FICE.—There are transferred to the Director of the Institute*  
 10           *of Museum and Library Services established under section*  
 11           *203 of the Museum and Library Services Act—*

12           (1) *all functions that the Director of the Institute*  
 13           *of Museum Services exercised before the date of enact-*  
 14           *ment of this section (including all related functions of*  
 15           *any officer or employee of the Institute of Museum*  
 16           *Services); and*

17           (2) *all functions that the Director of Library*  
 18           *Programs in the Office of Educational Research and*  
 19           *Improvement in the Department of Education exer-*  
 20           *cised before the date of enactment of this section and*  
 21           *any related function of any officer or employee of the*  
 22           *Department of Education.*

23           (c) *DETERMINATIONS OF CERTAIN FUNCTIONS BY THE*  
 24           *OFFICE OF MANAGEMENT AND BUDGET.—If necessary, the*  
 25           *Office of Management and Budget shall make any deter-*

1 mination of the functions that are transferred under sub-  
 2 section (b).

3       (d) *DELEGATION AND ASSIGNMENT.*—*Except where*  
 4 *otherwise expressly prohibited by law or otherwise provided*  
 5 *by this section, the Director of the Institute of Museum and*  
 6 *Library Services may delegate any of the functions trans-*  
 7 *ferred to the Director of the Institute of Museum and Li-*  
 8 *brary Services by this section and any function transferred*  
 9 *or granted to such Director of the Institute of Museum and*  
 10 *Library Services after the effective date of this section to*  
 11 *such officers and employees of the Institute of Museum and*  
 12 *Library Services as the Director of the Institute of Museum*  
 13 *and Library Services may designate, and may authorize*  
 14 *successive redelegations of such functions as may be nec-*  
 15 *essary or appropriate, except that any delegation of any*  
 16 *such functions with respect to libraries shall be made to*  
 17 *the Deputy Director of the Office of Library Services and*  
 18 *with respect to museums shall be made to the Deputy Direc-*  
 19 *tor of the Office of Museum Services. No delegation of func-*  
 20 *tions by the Director of the Institute of Museum and Li-*  
 21 *brary Services under this section or under any other provi-*  
 22 *sion of this section shall relieve such Director of the Insti-*  
 23 *tute of Museum and Library Services of responsibility for*  
 24 *the administration of such functions.*

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

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

15       (g) *TRANSFER AND ALLOCATIONS OF APPROPRIATIONS*  
 16 *AND PERSONNEL.*—*Except as otherwise provided in this*  
 17 *section, the personnel employed in connection with, and the*  
 18 *assets, liabilities, contracts, property, records, and unex-*  
 19 *pended balances of appropriations, authorizations, alloca-*  
 20 *tions, and other funds employed, used, held, arising from,*  
 21 *available to, or to be made available in connection with*  
 22 *the functions transferred by this section, subject to section*  
 23 *1531 of title 31, United States Code, shall be transferred*  
 24 *to the Institute of Museum and Library Services. Unex-*  
 25 *pended funds transferred pursuant to this subsection shall*



1 *be used only for the purposes for which the funds were origi-*  
 2 *nally authorized and appropriated.*

3       (h) *INCIDENTAL TRANSFERS.*—*The Director of the Of-*  
 4 *fice of Management and Budget, at such time or times as*  
 5 *the Director shall provide, may make such determinations*  
 6 *as may be necessary with regard to the functions transferred*  
 7 *by this section, and make such additional incidental dis-*  
 8 *positions of personnel, assets, liabilities, grants, contracts,*  
 9 *property, records, and unexpended balances of appropria-*  
 10 *tions, authorizations, allocations, and other funds held,*  
 11 *used, arising from, available to, or to be made available*  
 12 *in connection with such functions, as may be necessary to*  
 13 *carry out this section. The Director of the Office of Manage-*  
 14 *ment and Budget shall provide for the termination of the*  
 15 *affairs of all entities terminated by this section and for such*  
 16 *further measures and dispositions as may be necessary to*  
 17 *effectuate the purposes of this section.*

18       (i) *EFFECT ON PERSONNEL.*—

19           (1) *IN GENERAL.*—*Except as otherwise provided*  
 20 *by this section, the transfer pursuant to this section*  
 21 *of full-time personnel (except special Government em-*  
 22 *ployees) and part-time personnel holding permanent*  
 23 *positions shall not cause any such employee to be sep-*  
 24 *arated or reduced in grade or compensation for 1*

1       year after the date of transfer of such employee under  
2       this section.

3               (2) *EXECUTIVE SCHEDULE POSITIONS.*—*Except*  
4       *as otherwise provided in this section, any person who,*  
5       *on the day preceding the effective date of this section,*  
6       *held a position compensated in accordance with the*  
7       *Executive Schedule prescribed in chapter 53 of title 5,*  
8       *United States Code, and who, without a break in*  
9       *service, is appointed in the Institute of Museum and*  
10       *Library Services to a position having duties com-*  
11       *parable to the duties performed immediately preced-*  
12       *ing such appointment shall continue to be com-*  
13       *pensated in such new position at not less than the*  
14       *rate provided for such previous position, for the dura-*  
15       *tion of the service of such person in such new posi-*  
16       *tion.*

17       (j) *SAVINGS PROVISIONS.*—

18               (1) *CONTINUING EFFECT OF LEGAL DOCU-*  
19       *MENTS.*—*All orders, determinations, rules, regula-*  
20       *tions, permits, agreements, grants, contracts, certifi-*  
21       *cates, licenses, registrations, privileges, and other ad-*  
22       *ministrative actions—*

23               (A) *that have been issued, made, granted, or*  
24       *allowed to become effective by the President, any*  
25       *Federal agency or official of a Federal agency, or*

1           *by a court of competent jurisdiction, in the per-*  
 2           *formance of functions that are transferred under*  
 3           *this section; and*

4           *(B) that were in effect before the effective*  
 5           *date of this section, or were final before the effec-*  
 6           *tive date of this section and are to become effec-*  
 7           *tive on or after the effective date of this section;*  
 8           *shall continue in effect according to their terms until*  
 9           *modified, terminated, superseded, set aside, or revoked*  
 10          *in accordance with law by the President, the Director*  
 11          *of the Institute of Museum and Library Services or*  
 12          *other authorized official, a court of competent juris-*  
 13          *diction, or by operation of law.*

14          (2) *PROCEEDINGS NOT AFFECTED.—This section*  
 15          *shall not affect any proceedings, including notices of*  
 16          *proposed rulemaking, or any application for any li-*  
 17          *cense, permit, certificate, or financial assistance*  
 18          *pending before the Institute of Museum Services on*  
 19          *the effective date of this section, with respect to func-*  
 20          *tions transferred by this section. Such proceedings*  
 21          *and applications shall be continued. Orders shall be*  
 22          *issued in such proceedings, appeals shall be taken*  
 23          *from the orders, and payments shall be made pursu-*  
 24          *ant to the orders, as if this section had not been en-*  
 25          *acted, and orders issued in any such proceedings shall*

1     *continue in effect until modified, terminated, super-*  
 2     *seded, or revoked by a duly authorized official, by a*  
 3     *court of competent jurisdiction, or by operation of*  
 4     *law. Nothing in this paragraph shall be construed to*  
 5     *prohibit the discontinuance or modification of any*  
 6     *such proceeding under the same terms and conditions*  
 7     *and to the same extent that such proceeding could*  
 8     *have been discontinued or modified if this section had*  
 9     *not been enacted.*

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

16         (4) *NONABATEMENT OF ACTIONS.*—*No suit, ac-*  
 17     *tion, or other proceeding commenced by or against the*  
 18     *Institute of Museum Services, or by or against any*  
 19     *individual in the official capacity of such individual*  
 20     *as an officer of the Institute of Museum Services, shall*  
 21     *abate by reason of the enactment of this section.*

22         (5) *ADMINISTRATIVE ACTIONS RELATING TO PRO-*  
 23     *MULGATION OF REGULATIONS.*—*Any administrative*  
 24     *action relating to the preparation or promulgation of*  
 25     *a regulation by the Institute of Museum Services re-*

1        *lating to a function transferred under this section*  
 2        *may be continued by the Institute of Museum and Li-*  
 3        *brary Services with the same effect as if this section*  
 4        *had not been enacted.*

5        *(k) TRANSITION.—The Director of the Institute of Mu-*  
 6        *seum and Library Services may utilize—*

7                *(1) the services of such officers, employees, and*  
 8        *other personnel of the Institute of Museum Services*  
 9        *with respect to functions transferred to the Institute*  
 10        *of Museum and Library Services by this section; and*

11                *(2) funds appropriated to such functions for such*  
 12        *period of time as may reasonably be needed to facili-*  
 13        *tate the orderly implementation of this section.*

14        *(l) REFERENCES.—A reference in any other Federal*  
 15        *law, Executive order, rule, regulation, or delegation of au-*  
 16        *thority, or any document of or relating to—*

17                *(1) the Director of the Institute of Museum Serv-*  
 18        *ices with regard to functions transferred under sub-*  
 19        *section (b), shall be deemed to refer to the Director of*  
 20        *the Institute of Museum and Library Services; and*

21                *(2) the Institute of Museum Services with regard*  
 22        *to functions transferred under subsection (b), shall be*  
 23        *deemed to refer to the Institute of Museum and Li-*  
 24        *brary Services.*

25        *(m) ADDITIONAL CONFORMING AMENDMENTS.—*

1           (1) *RECOMMENDED LEGISLATION.*—After con-  
 2           sultation with the appropriate committees of Congress  
 3           and the Director of the Office of Management and  
 4           Budget, the Director of the Institute of Museum and  
 5           Library Services shall prepare and submit to the ap-  
 6           propriate committees of Congress recommended legis-  
 7           lation containing technical and conforming amend-  
 8           ments to reflect the changes made by this section.

9           (2) *SUBMISSION TO CONGRESS.*—Not later than  
 10          6 months after the effective date of this section, the  
 11          Director of the Institute of Museum and Library  
 12          Services shall submit to the appropriate committees of  
 13          Congress the recommended legislation referred to  
 14          under paragraph (1).

15 **SEC. 214. SERVICE OF INDIVIDUALS SERVING ON DATE OF**  
 16 **ENACTMENT.**

17          Notwithstanding section 204 of the Museum and Li-  
 18          brary Services Act, the individual who was appointed to  
 19          the position of Director of the Institute of Museum Services  
 20          under section 205 of the Museum Services Act (as such sec-  
 21          tion was in effect on the day before the date of enactment  
 22          of this Act) and who is serving in such position on the day  
 23          before the date of enactment of this Act shall serve as the  
 24          first Director of the Institute of Museum and Library Serv-  
 25          ices under section 204 of the Museum and Library Services

1 *Act (as added by section 211 of this title), and shall serve*  
 2 *at the pleasure of the President.*

3 **SEC. 215. CONSIDERATION.**

4 *Consistent with title 5, United States Code, in ap-*  
 5 *pointing employees of the Office of Library Services, the Di-*  
 6 *rector of the Institute of Museum and Library Services shall*  
 7 *give strong consideration to individuals with experience in*  
 8 *administering State-based and national library and infor-*  
 9 *mation services programs.*

10 **SEC. 216. TRANSITION AND TRANSFER OF FUNDS.**

11 *(a) TRANSITION.—The Director of the Office of Man-*  
 12 *agement and Budget shall take appropriate measures to en-*  
 13 *sure an orderly transition from the activities previously ad-*  
 14 *ministered by the Director of Library Programs in the Of-*  
 15 *fice of Educational Research and Improvement in the De-*  
 16 *partment of Education to the activities administered by the*  
 17 *Institute for Museum and Library Services under this title.*  
 18 *Such measures may include the transfer of appropriated*  
 19 *funds.*

20 *(b) TRANSFER.—The Secretary of Education shall*  
 21 *transfer to the Director the amount of funds necessary to*  
 22 *ensure the orderly transition from activities previously ad-*  
 23 *ministered by the Director of the Office of Library Pro-*  
 24 *grams in the Office of Educational Research and Improve-*  
 25 *ment in the Department of Education to the activities ad-*

1 ministered by the Institute for Museum and Library Serv-  
 2 ices. In no event shall the amount of funds transferred pur-  
 3 suant to the preceding sentence be less than \$200,000.

4 ***TITLE III—HIGHER EDUCATION***  
 5 ***Subtitle A—Debt Reduction***

6 ***SEC. 301. UNSUBSIDIZED STUDENT LOANS.***

7 (a) *AMENDMENT.*—Paragraph (1) of section 428H(f)  
 8 of the Higher Education Act of 1965 (20 U.S.C. 1078–  
 9 8(f)(1)) is amended to read as follows:

10 “(1) *AMOUNT OF ORIGINATION FEE.*—Except as  
 11 provided in paragraph (5), an origination fee shall be  
 12 paid to the Secretary with respect to each loan under  
 13 this section in the amount of 3.0 percent of the prin-  
 14 cipal amount of the loan. Each lender under this sec-  
 15 tion is authorized to charge the borrower for such  
 16 origination fee, provided that the lender assesses the  
 17 same fee to all student borrowers. Any such fee  
 18 charged to the borrower shall be deducted proportion-  
 19 ately from each installment payment of the proceeds  
 20 of the loan prior to payment to the borrower.”.

21 (b) *CONFORMING AMENDMENTS.*—Section 428H(f) of  
 22 such Act is further amended—

23 (1) in paragraph (3), by striking “the origina-  
 24 tion fee” and inserting “any origination fee that is  
 25 charged to the borrower”;



1           (2) in paragraph (4), by striking “origination  
2       *fees authorized to be collected from borrowers*” and in-  
3       *serting “origination fees required under paragraph*  
4       *(1)”*; and

5           (3) by adding at the end the following new para-  
6       *graph:*

7           “(6) *EXCEPTION.—Notwithstanding paragraph*  
8       *(1), a lender may assess a lesser origination fee for*  
9       *a borrower demonstrating greater financial need as*  
10       *determined by such borrower’s adjusted gross family*  
11       *income.”.*

12       (c) *REPORT ON COMPETITIVE ALLOCATION.—Within*  
13       *60 days after the date of enactment of this Act, the Sec-*  
14       *retary of Education shall submit to each House of the Con-*  
15       *gress a legislative proposal that would permit the Secretary*  
16       *to allocate the right to make subsidized and unsubsidized*  
17       *student loans on the basis of competitive bidding. Such pro-*  
18       *posal shall include provision to ensure that any payments*  
19       *received from such competitive bidding are equally allocated*  
20       *to deficit reduction and to pro rata reduction of origination*  
21       *fees in both guaranteed and direct student loans.*

22       **SEC. 302. STUDY OF LOAN FEES.**

23       (a) *STUDY REQUIRED.—The Secretary of Education*  
24       *shall conduct a statistical analysis of the subsidized and*  
25       *unsubsidized student loan programs under part B of title*

1 *IV of the Higher Education Act of 1965 to gather data on*  
 2 *lenders' use of loan fees and to determine if there are any*  
 3 *anomalies that would indicate any institutional, pro-*  
 4 *grammatic or socioeconomic discrimination in the assessing*  
 5 *or waiving such fees.*

6 (b) *REPORT.—The Secretary of Education shall sub-*  
 7 *mit to each House of the Congress a report on the study*  
 8 *required by subsection (a) within 2 years after the date of*  
 9 *enactment of this Act.*

10 (c) *STATISTICAL CHARACTERISTICS TO BE STUD-*  
 11 *IED.—In conducting the study required by subsection (a),*  
 12 *the Secretary of Education shall compare recipients of loans*  
 13 *on the basis of income, residence location, type and location*  
 14 *of higher education, program of instruction and type of*  
 15 *lender.*

## 16 ***Subtitle B—Financial*** 17 ***Responsibility Standards***

### 18 ***SEC. 311. EXTENSION OF PUBLIC COMMENT PERIOD.***

19 *The Secretary of Education shall extend until Decem-*  
 20 *ber 1, 1996, the period for public comment on rules pub-*  
 21 *lished in the Federal Register on September 20, 1996 (61*  
 22 *Fed. Reg. 49552), relating to financial responsibility stand-*  
 23 *ards for institutions participating in higher education pro-*  
 24 *grams (34 C.F.R. part 668). The Secretary shall publish*  
 25 *such rules in final form by February 1, 1997. Notwith-*

- 1 *standing section 482(c) of the Higher Education Act of 1965*
- 2 *(20 U.S.C. 1089(c)), such rules shall, if so published by such*
- 3 *date, be effective for award year 1997-98.*

*Attest:*

*Clerk.*