

practice of pharmacy in such State has entered into a memorandum of understanding with the Secretary regarding the regulation of drugs that are compounded in the State and are distributed outside of the State, that provides for appropriate investigation by the State agency of complaints relating to compounded products distributed outside of the State.

“(2)(A) The Secretary shall, after consultation with the National Association of Boards of Pharmacy, develop a standard memorandum of understanding for use by States in complying with paragraph (1)(B)(vi).

“(B) Paragraph (1)(B)(vi) shall not apply to a licensed pharmacist or licensed physician, who does not distribute inordinate amounts of compounded products outside of the State, until—

“(i) the date that is 180 days after the development of the standard memorandum of understanding; or

“(ii) the date on which the State agency enters into a memorandum of understanding under paragraph (1)(B)(vi), whichever occurs first.

“(3) The Secretary, after consultation with the United States Pharmacopeia Convention Incorporated, shall promulgate regulations limiting compounding under paragraph (1)(B)(i)(I)(bb) to drug substances that are components of drug products approved by the Secretary and to other drug substances as the Secretary may identify.

“(4) The provisions of paragraph (1) shall not apply—

“(A) to compounded positron emission tomography drugs as defined in section 201(ii); or

“(B) to radiopharmaceuticals.

“(5) In this subsection, the term ‘compound’ does not include to mix, reconstitute, or perform another similar act, in accordance with directions contained in approved drug labeling provided by a drug manufacturer.”

THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

BROWNBACK AMENDMENT NO. 1185

(Ordered to lie on the table.)

Mr. BROWNBACK submitted an amendment intended to be proposed by him to the bill, H.R. 2107, supra; as follows:

At the appropriate place in title I, insert the following:

“SEC. 1 . (a) In this section—

(1) the term ‘Huron Cemetery’ means the lands that form the cemetery that is popularly known as the Huron Cemetery, located in Kansas City, Kansas, as described in subsection (b)(4);

(2) the term ‘Secretary’ means the Secretary of the Interior; and

(3) the term ‘Wyandot Nation’ means the nation of the Wyandot Indians that consists of the descendants of the Wyandott nation described in the treaty between the United States and the Wyandott Indians, done at Washington on January 31, 1855 (10 Stat. 1159 et seq.), and includes—

(A) the Wyandot Nation of Kansas, Inc.; and

(B) the Wyandotte Tribe of Oklahoma.

(b)(1) Subject to subsection (c), the Secretary shall take such action as may be necessary to ensure that the lands comprising the Huron Cemetery (as described in paragraph (4)) are held in trust for the Wyandot Nation to be used only for a burial ground

for the Wyandot Nation in accordance with this subsection.

(2) Subject to subsection (c), the Secretary shall take such action as may be necessary to ensure that the lands of the Huron Cemetery are used only—

(A) for religious and cultural uses of the Wyandot Nation that are compatible with the use of the lands as a cemetery; and

(B) as a burial ground for members of the Wyandot Nation.

In carrying out this subsection, the Secretary shall take such action as may be necessary to ensure that members of the Wyandot Nation of Kansas, Inc. may use the Huron Cemetery for the purposes specified in paragraph (2) on the condition that if space is available in the Huron Cemetery, no member of the Wyandotte Tribe of Oklahoma may be denied the right to be buried in that cemetery.

(4) The description of the lands of the Huron Cemetery is as follows:

The tract of land in the NW ¼ of sec. 10, T. 11 S., R. 25 E., of the sixth principal meridian, in Wyandotte County, Kansas (as surveyed and marked on the ground on August 15, 1888, by William Millor, Civil Engineer and Surveyor), described as follows:

“Commencing on the Northwest corner of the Northwest Quarter of the Northwest Quarter of said Section 10;

“Thence South 28 poles to the ‘true point of beginning’;

“Thence South 71 degrees East 10 poles and 18 links;

“Thence South 18 degrees and 30 minutes West 28 poles;

“Thence West 11 and one-half poles;

“Thence North 19 degrees 15 minutes East 31 poles and 15 feet to the ‘true point of beginning’, containing 2 acres or more.”

(c) Nothing in this section is intended to modify or supersede the agreement that the United States entered into on March 20, 1918, with the City of Kansas City, Kansas, for the maintenance of the Huron Cemetery.

HUTCHISON AMENDMENT NO. 1186

(Ordered to lie on the table.)

Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill, H.R. 2107, supra; as follows:

Beginning on page 96, strike line 14 and all that follows through line 8 on page 97, and insert the following:

(a) FUNDING.—For necessary expenses of the National Endowment for the Arts, \$100,060,000 to be used in accordance with this section.

(b) USE OF FUNDS.—

(1) IN GENERAL.—Of the amount appropriated under subsection (a), the Chairman of the National Endowment for the Arts shall use—

(A) not less than 75 percent of such amount to make block grants to State under subsection (c);

(B) not less than 20 percent of such amount to make grants to national groups or institutions under subsection (d); and

(C) not more than 5 percent for the administrative costs of carrying out this section, including any costs associated with the reduction in the operations of the National Endowment for the Arts.

(2) LIMITATION ON ADMINISTRATIVE COSTS.—With respect to the budget authority provided for in this section, not more than \$1,525,915 shall be available for obligation with respect to the administrative costs described in paragraph (1)(C) prior to September 30, 1998.

(c) BLOCK GRANTS TO STATES OR TERRITORIES.—

(1) In general.—The Secretary shall award block grants to States under this subsection to support the arts.

(2) ELIGIBILITY.—To be eligible to receive a grant under this subsection, a State or Territory shall prepare and submit to the Chairman an application, at such time, in such manner, and containing such information as the Chairman may require, including an assurance that no funds received under the grant will be used to fund programs that are determined to be obscene.

(3) AMOUNT OF GRANT.—

(A) IN GENERAL.—Of the amount available for grants under this subsection, the Chairman shall allot to each State (including the District of Columbia) or Territory an amount equal to—

(i) with respect to a State, the amount under subparagraph (B); and

(ii) with respect to a territory, the amount determined under subparagraph (C).

(B) FORMULA.—The amount determined under this subparagraph with respect to a State (or the District of Columbia) shall be equal to—

(i) subject to subparagraph (D), the aggregate of the amounts provided by the National Endowment for the Arts to the State (or District), and the groups and institutions in the State (or District), in fiscal year 1997; and

(ii) an amount that bears the same relationship to the amounts remaining available for allotment for the fiscal year involved after the amounts are determined under clause (i), as the percentage of the population of the State (or District) bears to the total population of all States and the District.

(C) TERRITORIES.—The amount determined under this subparagraph with respect to a territory shall be equal to the aggregate of the amounts provided by the National Endowment for the Arts to the territory, and the groups and institutions in the territory, in fiscal year 1997.

(D) LIMITATION.—Notwithstanding the formula described in subparagraph (B), the allotment for a State (or the District of Columbia) under clause (i) of such subparagraph shall not exceed an amount equal to 6.6 percent of the total amount provided by the National Endowment for the Arts to States and the District of Columbia in fiscal year 1997.

(4) LIMITATION ON OBLIGATION OF FUNDS.—With respect to the budget authority provided for in this section, not more than \$22,888,725 shall be available for obligation with respect to block grants under this subsection prior to September 30, 1998.

(5) USE OF FUNDS.—

(A) IN GENERAL.—A State or territory shall use funds provided under a grant under this subsection to carry out activities to support the arts in the State or territory.

(B) ENDOWMENT INCENTIVE.—A State or territory may use not to exceed 25 percent of the funds provided under a grant under this subsection to establish a permanent arts endowment in the State or territory. A State or territory that uses funds under this subparagraph to establish a State endowment shall contribute non-Federal funds to such endowment in an amount equal to not less than the amount of Federal funds provided to the endowment.

(C) LIMITATION.—A State (or territory) may not use in excess of 15 percent of the amount received under this section in any fiscal year for administrative purposes.

(d) NATIONAL GRANTS.—

(1) IN GENERAL.—The Secretary shall award grants to nationally prominent groups or institutions under this subsection to support the arts.

(2) ELIGIBILITY.—To be eligible to receive a grant under this subsection, an entity shall

prepare and submit to the Chairman an application, at such time, in such manner, and containing such information as the Chairman may require, including an assurance that no funds received under this subsection will be used—

(A) to fund programs that are determined to be obscene;

(B) for seasonal grants; or

(C) for subgrants.

(3) LIMITATION ON AMOUNT OF GRANT.—The amount of a grant awarded to any group or institution to carry out a project under this section shall not exceed—

(A) with respect to a group or institution with an annual budget of not to exceed \$3,000,000, an amount equal to not more than 33.5 percent of the total project cost; and

(B) with respect to a group or institution with an annual budget of not less than \$3,000,000, an amount equal to not more than 20 percent of the total project cost.

(4) LIMITATION ON OBLIGATION OF FUNDS.—With respect to the budget authority provided for in this section, not more than \$6,103,660 shall be available for obligation with respect to grants under this subsection prior to September 30, 1998.

(e) APPLICATION OF SECTION.—Notwithstanding any other provision of law, this section shall apply with respect to grants and contracts awarded by the National Endowment for the Arts in lieu of the provisions of sections 5 and 5A of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954 and 954a).

(f) OFFSET.—Each amount of budget authority for the fiscal year ending September 30, 1998, provided in this Act, for payments not required by law is hereby reduced by .11 percent. Such reductions shall be applied ratably to each account, program, activity, and project provided for in this Act.

HUTCHINSON (AND OTHERS) AMENDMENT NO. 1187

(Ordered to lie on the table.)

Mr. HUTCHINSON (for himself, Mr. SESSIONS, Mr. ABRAHAM, and Mr. ENZI) submitted an amendment intended to be proposed by them to the bill, H.R. 2107, *supra*; as follows:

On page 96, line 12, strike all after “National” through page 97, line 8, and insert the following:

SUPPORT FOR THE ARTS

FINANCIAL ASSISTANCE TO STATES TO SUPPORT THE ARTS

For the necessary expenses to carry out section 202 of this Act, \$100,060,000, of which \$33,060,000 shall be available on October 1, 1997, and \$67,000,000 shall be available on September 30, 1998: *Provided*, That each amount of budget authority for the fiscal year ending September 30, 1998, provided in this Act (other than section 202), for payments not required by law is hereby reduced by 0.11 percent: *Provided further*, That such reductions shall be applied ratably to each account, program, activity, and project provided for in this Act.

GENERAL PROVISIONS

TERMINATION OF THE NATIONAL ENDOWMENT FOR THE ARTS

SEC. 201. (a) REPEALERS.—Sections 5, 5A, and 6 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954, 954a, 955) are repealed.

(b) CONFORMING AMENDMENTS.—

(1) DECLARATION OF PURPOSE.—Section 2 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 951) is amended—

(A) in paragraphs (1) and (6) by striking “arts and the”,

(B) in paragraphs (2) and (5) by striking “and the arts”,

(C) in paragraphs (4), (5), and (9) by striking “the arts and”,

(D) in paragraph (7) by striking “the practice of art and”,

(E) by striking paragraph (11), and

(F) in paragraph (12) by striking “the Arts and” and redesignating such paragraph as paragraph (11).

(2) DEFINITIONS.—Section 3 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 952) is amended—

(A) by striking subsections (b), (c), and (f), and

(B) in subsection (d)—

(i) by striking “to foster American artistic creativity, to commission works of art”,

(ii) in paragraph (1)—

(I) by striking “the National Council on the Arts or”, and

(II) by striking “, as the case may be”,

(iii) in paragraph (2)—

(I) by striking “sections 5(l) and” and inserting “section”,

(II) in subparagraph (A) by striking “an artistic or” and inserting “a”, and

(III) in subparagraph (B)—

(aa) by striking “the National Council on the Arts and”, and

(bb) by striking “, as the case may be”, and

(iv) by striking “(d)” and inserting “(b)”, and

(C) by redesignating subsections (e) and (g) as subsections (c) and (d), respectively.

(3) ESTABLISHMENT OF NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES.—Section 4(a) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 953(a)) is amended—

(A) in subsection (a)—

(i) by striking “the Arts and” each place it appears, and

(ii) by striking “a National Endowment for the Arts”,

(B) in subsection (b) by striking “and the arts”, and

(C) in the heading of such section by striking “THE ARTS AND”.

(4) FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES.—Section 9 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 958) is amended—

(A) in subsection (a) by striking “the Arts and”,

(B) in subsection (b) by striking “the Chairperson of the National Endowment for the Arts”,

(C) in subsection (c)—

(i) in paragraph (1) by striking “the Chairperson of the National Endowment for the Arts and”,

(ii) in paragraph (3)—

(I) by striking “the National Endowment for the Arts”, and

(II) by striking “Humanities,” and inserting “Humanities”, and

(iii) in paragraphs (6) and (7) by striking “the arts and”, and

(D) in the heading of such section by striking “THE ARTS AND”.

(5) ADMINISTRATIVE FUNCTIONS.—Section 10 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 959) is amended—

(A) in subsection (a)—

(i) in the matter preceding paragraph (1)—

(I) by striking “in them”,

(II) by striking “the Chairperson of the National Endowment for the Arts and”, and

(III) by striking “, in carrying out their respective functions”,

(ii) by striking “of an Endowment” each place it appears,

(iii) in paragraph (2)—

(I) by striking “of that Endowment” the first place it appears and inserting “the National Endowment for the Humanities”,

(II) by striking “sections 6(f) and” and inserting “section”, and

(III) by striking “sections 5(c) and” and inserting “section”, and

(iv) in paragraph (3) by striking “Chairperson’s functions, define their duties, and supervise their activities” and inserting “functions, define the activities, and supervise the activities of the Chairperson”,

(B) in subsection (b)—

(i) by striking paragraphs (1), (2), and (3), and

(ii) in paragraph (4)—

(I) by striking “one of its Endowments and received by the Chairperson of an Endowment” and inserting “the National Endowment for the Humanities and received by the Chairperson of that Endowment”, and

(II) by striking “(4)”,

(C) by striking subsection (c),

(D) in subsection (d)—

(i) by striking “Chairperson of the National Endowment for the Arts and the”, and

(ii) by striking “each” the first place it appears,

(E) in subsection (e)—

(i) by striking “National Council on the Arts and the”, and

(ii) by striking “, respectively”, and

(F) in subsection (f)—

(i) in paragraph (1)—

(I) by striking “Chairperson of the National Endowment for the Arts and the”, and

(II) by striking “sections 5(c) and” and inserting “section”,

(ii) in paragraph (2)(A)—

(I) by striking “either of the Endowments” and inserting “National Endowment for the Humanities”, and

(II) by striking “involved”, and

(iii) in paragraph (3)—

(I) by striking “that provided such financial assistance” each place it appears, and

(II) in subparagraph (C) by striking “the National Endowment for the Arts or”.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 11 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960) is amended—

(1) in subsection (a)(1)—

(A) by striking subparagraph (A), and

(B) in subparagraph (B) by striking “(B)”,

(2) in subsection (a)(2)—

(A) by striking subparagraph (A), and

(B) in subparagraph (B)—

(i) by striking “(B)”, and

(ii) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively,

(3) in subsection (a)(3)—

(A) by striking subparagraph (A),

(B) by redesignating subparagraph (B) as subparagraph (A), and

(C) by striking subparagraph (C), and

(4) in subsection (a)(4)—

(A) by striking “Chairperson of the National Endowment for the Arts and the”,

(B) by striking “, as the case may be”, and

(C) by striking “section 5(e), section 5(l)(2), section 7(f),” and inserting “section 7(f)”,

(5) in subsection (c)—

(A) by striking paragraph (1), and

(B) in paragraph (2) by striking “(2)”,

(6) in subsection (d)—

(A) by striking paragraph (1), and

(B) in paragraph (2) by striking “(2)”, and

(7) by striking subsection (f).

(d) TRANSITION PROVISIONS.—

(1) TRANSFER OF PROPERTY.—On the effective date of the amendments made by this section, all property donated, bequeathed, or devised to the National Endowment for the Arts and held by such Endowment on such date is hereby transferred to the National Endowment for the Humanities.

(2) **TERMINATION OF OPERATIONS.**—The Director of the Office of Management and Budget shall provide for the termination of the affairs of the National Endowment for the Arts and the National Council on the Arts. Except as provided in paragraph (1), the Director shall provide for the transfer or other disposition of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with implementing the authorities terminated by the amendments made by this section.

(e) **CONFORMING AMENDMENTS TO OTHER LAWS.**—

(1) **POET LAUREATE CONSULTANT.**—Section 601 of the Arts, Humanities, and Museums Amendments of 1985 (2 U.S.C. 177) is amended by striking subsection (c).

(2) **EXECUTIVE SCHEDULE PAY RATE.**—Title 5 of the United States Code is amended in section 5314 by striking the item relating to the Chairman of the National Endowment for the Arts.

(3) **INSPECTOR GENERAL ACT OF 1978.**—Subsection (a)(2) of the first section 8G of the Inspector General Act of 1978 (5 U.S.C. App. 8G(a)(2)) is amended by striking “the National Endowment for the Arts”.

(4) **DELTA REGION PRESERVATION COMMISSION.**—Section 907(a) of National Parks and Recreation Act of 1978 (16 U.S.C. 230f(a)) is amended—

(A) by striking paragraph (7),

(B) in the first paragraph (8) by striking the period at the end and inserting “; and”, and

(C) by redesignating the first paragraph (8) as paragraph (7).

(5) **JACOB K. JAVITS FELLOWSHIP PROGRAM.**—Section 932(a)(3) of the Higher Education Act of 1965 (20 U.S.C. 1134i(a)(3)) is amended by striking “the National Endowment for the Arts”.

(6) **GRADUATE ASSISTANCE IN AREAS OF NATIONAL NEED.**—Section 943(b) of the Higher Education Act of 1965 (20 U.S.C. 1134n(b)) is amended by striking “National Endowments for the Arts and the Humanities” and inserting “National Endowment for the Humanities”.

(7) **AMERICAN FOLKLIFE CENTER.**—Section 4(b) of the American Folklife Preservation Act (20 U.S.C. 2103(b)) is amended—

(A) by striking paragraph (5), and

(B) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(8) **JAPAN-UNITED STATES FRIENDSHIP COMMISSION.**—Section 4(a) of the Japan-United States Friendship Act (22 U.S.C. 2903(a)) is amended—

(A) in paragraph (3) by adding “and” at the end, and

(B) by redesignating paragraph (5) as paragraph (4).

(9) **STANDARDS AND SYSTEMS FOR OUTDOOR ADVERTISING SIGNS.**—Section 131(q)(1) of title 23, United States Code, is amended by striking “including the National Endowment for the Arts”.

(10) **INTERNATIONAL CULTURE AND TRADE CENTER COMMISSION.**—Section 7(c)(1) of Federal Triangle Development Act (40 U.S.C. 1106(c)(1)) is amended—

(A) by striking subparagraph (I), and

(B) by redesignating subparagraph (J) as subparagraph (I).

(11) **LIVABLE CITIES.**—The Livable Cities Act of 1978 (42 U.S.C. 8143 et seq.) is amended—

(A) in section 804 (42 U.S.C. 8143)—

(i) in paragraph (4) by inserting “and” at the end,

(ii) by striking paragraphs (5) and (7), and

(iii) in paragraph (6)—

(I) by striking “; and” at the end and inserting a period, and

(II) by redesignating such paragraph as paragraph (5), and

(B) in section 805 (42 U.S.C. 8144)—

(i) in subsection (a)—

(I) by striking “, in consultation with the Chairman,” and

(II) in paragraph (3) by striking “jointly by the Secretary and the Chairman” and inserting “by the Secretary”,

(ii) in subsection (b) by striking “and the Chairman shall establish jointly” and inserting “shall establish”,

(iii) in subsection (c) by striking “jointly by the Secretary and the Chairman” and inserting “by the Secretary”,

(iv) in subsection (d)—

(I) by striking “consult with the Chairman and”, and

(II) by striking “jointly by the Secretary and the Chairman” and inserting “by the Secretary”, and

(v) in subsection (e) by striking “, in cooperation with the Chairman.”.

(12) **CONVERSION OF RAILROAD PASSENGER PROVISIONS.**—Title 49 of the United States Code is amended—

(A) in section 5562(c) by striking “and the Chairman of the National Endowment for the Arts”,

(B) in section 5563(a)(4)—

(i) in subparagraph (A) by adding “or” at the end,

(ii) by striking subparagraph (B), and

(iii) by redesignating subparagraph (C) as subparagraph (B),

(C) in section 5564(c)(1)(C) by striking “or the Chairman of the National Endowment for the Arts”, and

(D) in section 5565(c)(1)(B) by striking “or the Chairman of the National Endowment for the Arts”.

(13) **EDUCATIONAL RESEARCH, DEVELOPMENT, DISSEMINATION AND IMPROVEMENT ACT OF 1994.**—Title IX of the Educational Research, Development, Dissemination, and Improvement Act of 1994 (20 U.S.C. 6001 et seq.) is amended—

(A) in section 921(j) (20 U.S.C. 6021(j))—

(i) by striking paragraph (5), and

(ii) by redesignating paragraphs (6), (7) and (8) as paragraphs (5), (6), and (7), respectively, and

(B) in section 931(h)(3) (20 U.S.C. 6031(h)(3))—

(i) by striking subparagraph (H), and

(ii) by redesignating subparagraphs (I), (J), (K), and (L) as subparagraphs (H), (I), (J), and (K), respectively.

(14) **ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.**—The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

(A) in section 2101(b) (20 U.S.C. 6621(b)) by striking “the National Endowment for the Arts”,

(B) in section 2205(c)(1)(D) (20 U.S.C. 6645(c)(1)(D)) by striking “the National Endowment for the Arts”,

(C) in section 2208(d)(1)(H)(v) (20 U.S.C. 6648(d)(1)(H)(v))—

(i) by inserting “and” after “Services,” the second place it appears, and

(ii) by striking “, and the National Endowment for the Arts”,

(D) in section 2209(b)(1)(C)(vi) (20 U.S.C. 6649(b)(1)(C)(vi)) by striking “the National Endowment for the Arts”,

(E) in section 3121(c)(2) (20 U.S.C. 6831(c)(2)) by striking “the National Endowment for the Arts”,

(F) in section 10401 (20 U.S.C. 8091)—

(i) in subsection (d)(6) by striking “the National Endowment for the Arts”, and

(ii) in subsection (e)(2) by striking “the National Endowment for the Arts”,

(G) in section 10411(a) (20 U.S.C. 8101(a))—

(i) by striking paragraph (2), and

(ii) by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively.

(H) in section 10412(b) (20 U.S.C. 8102(b))—

(i) in paragraph (2) by striking “the Chairman of the National Endowment for the Arts,” and

(ii) in paragraph (7) by striking “, the Chairman of the National Endowment for the Arts”, and

(I) in section 10414(a)(2)(B) (20 U.S.C. 8104(a)(2)(B))—

(i) in clause (i) by inserting “and” at the end,

(ii) by striking clause (ii), and

(iii) by redesignating clause (iii) as clause (ii).

(15) **DELTA REGION HERITAGE; NEW ORLEANS JAZZ COMMISSION.**—Public Law 103-433 (108 Stat. 4515) is amended—

(A) in section 1104(b) (16 U.S.C. 1a-5 note) by striking “the Chairman of the National Endowment for the Arts,” and

(B) in section 1207(b)(6) (16 U.S.C. 410bbb-5(b)(6)) by striking “and one member from recommendations submitted by the Chairman of the National Endowment of the Arts”.

(f) **EFFECTIVE DATE.**—This section shall take effect on the later of October 1, 1997, or the date of enactment of this Act.

FEDERAL FINANCIAL ASSISTANCE TO THE STATES TO SUPPORT THE ARTS

SEC. 202. (a) GRANTS TO STATES.—

(1) **IN GENERAL.**—From funds allotted under paragraphs (2) and (3) of subsection (d), the Secretary of the Treasury may make grants to States to support the arts in such a manner as will furnish adequate programs, facilities, and services in the arts to all the people and communities in the States through—

(A) projects and productions which have substantial national or international artistic and cultural significance;

(B) projects and productions, meeting professional standards of authenticity or tradition, irrespective of origin, which are of significant merit;

(C) projects and productions that will encourage and assist artists to work in residence at an educational or cultural institution;

(D) projects and productions which have substantial artistic and cultural significance;

(E) projects and productions that will encourage public knowledge, education, understanding, and appreciation of the arts;

(F) workshops that will encourage and develop the appreciation and enjoyment of the arts by our Nation's citizens;

(G) programs for the arts at the local level; and

(H) projects that enhance managerial and organizational skills and capabilities.

(2) **PAYMENTS AND AVAILABILITY.**—Grant funds awarded to a State under this section shall be paid to the Governor of the State. The Governor shall make the grant funds available to the Governor's office, the State arts council or commission, or the State legislature.

(3) **AMOUNT.**—The total amount of grant funds awarded to a State under this section for a project or production may not exceed 50 percent of the cost of the project or production, respectively.

(b) **ADMINISTRATIVE AND FISCAL ACCOUNTABILITY.**—

(1) AUDIT.—

(A) **IN GENERAL.**—A State shall audit the State expenditures from amounts received under this section. Such audit shall—

(i) determine the extent to which such expenditures were or were not expended in accordance with this section; and

(ii) be conducted by an approved entity (as defined in subparagraph (B)) in accordance with generally accepted auditing principles.

(B) DEFINITION OF APPROVED ENTITY.—For purposes of subparagraph (A), the term "approved entity" means an entity that is—

(i) approved by the Secretary of the Treasury;

(ii) approved by the Governor of the State; and

(iii) independent of any agency administering activities funded under this section.

(C) SUBMISSION.—Not later than 30 days following the completion of an audit under this subsection, a State shall submit a copy of the audit to the State legislature and to the Secretary of the Treasury.

(D) REPAYMENT AND PENALTY.—Each State or recipient of any proceeds of grant funds made available under this section shall pay to the United States amounts ultimately found by the approved entity under paragraph (1)(A) not to have been expended in accordance with this section plus 10 percent of such amount as a penalty, or the Secretary of the Treasury may offset such amounts plus the 10 percent penalty against any amount that the State or recipient, respectively, may be eligible to receive under this section.

(2) REQUIREMENTS FOR SINGLE AUDITS.—The provisions of chapter 75 of title 31, United States Code, shall apply to the audit requirements of this section.

(3) STATE REPORTS.—

(A) IN GENERAL.—A State shall prepare a comprehensive report regarding the activities carried out with amounts received by the State under this section.

(B) REQUIREMENTS.—Reports prepared under this subsection—

(i) shall be in accordance with generally accepted accounting principles, including the provisions of chapter 75 of title 31, United States Code;

(ii) shall include the results of the most recent audit conducted in accordance with the requirements of paragraph (1); and

(iii) shall be in such form and contain such other information as the State deems necessary—

(I) to provide an accurate description of such activities; and

(II) to secure a complete record of the purposes for which amounts were expended in accordance with this section.

(C) AVAILABILITY OF REPORTS.—A State shall make copies of the reports required under this subsection available for public inspection within the State. Copies also shall be provided upon request to any interested public agency, and each such agency may provide such agency's views on such reports to Congress.

(4) SUPERVISION.—

(A) IN GENERAL.—

(i) REQUIREMENT.—The Secretary of the Treasury shall supervise the amounts received under this part in accordance with clause (ii).

(ii) LIMITATION.—The supervision by the Secretary of the Treasury shall be limited to—

(I) making grant payments to the States;

(II) approving the entities referred to in paragraph (1)(B); and

(III) withholding payment to a State based on the findings of such an entity in accordance with paragraph (1)(C)(ii).

(B) SPECIAL RULE.—No administrative officer or agency of the United States, other than the Secretary of the Treasury shall supervise the amounts received by the States under this section or the use of such amounts by the States.

(5) PROHIBITION.—With the exception of the Department of the Treasury as provided for in this section, no Federal department or

agency may promulgate regulations or issue rules regarding this section.

(6) COMPLIANCE.—If the Secretary of the Treasury determines that a State, or a recipient of any proceeds of grant funds made available under this section, has failed to comply with a provision of this section, the Secretary of the Treasury shall notify the Governor of the State and shall request the Governor to secure compliance with such provision. If, not later than 60 days after receiving such notification, the Governor fails or refuses to secure compliance, the Secretary of the Treasury may take such action as the Secretary determines necessary to secure compliance.

(C) CONDITIONS ON USE OF FUNDS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, grant funds made available under this section and the proceeds of the grant funds may not be used to promote, disseminate, sponsor, or produce any project or production that—

(A) denigrates the religious objects or religious beliefs of the adherents of a particular religion; or

(B) depicts or describes, in a patently offensive way, sexual or excretory activities or organs.

(2) STRICT APPLICATION.—The prohibition described in paragraph (1) shall be strictly applied without regard to the content or viewpoint of the project or production.

(d) ALLOTMENT OF FUNDS.—

(1) RESERVATION FOR ADMINISTRATIVE COSTS.—From the sum appropriated under subsection (g) the Secretary shall reserve not more than \$1,000,000 for the administrative costs of the Department of the Treasury.

(2) MINIMUM ALLOTMENT.—From the sum appropriated under subsection (g) and not reserved under paragraph (1), the Secretary first shall allot—

(A) \$500,000 to each State; and

(B) \$200,000 to each of the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

(3) ALLOTMENT OF REMAINDER.—From the sum appropriated under subsection (g), not reserved under paragraph (1), and not allotted under paragraph (2), the Secretary shall allot to each State an amount that bears the same relation to the sum as the population of the State bears to the population of all States.

(4) STATE ADMINISTRATIVE COSTS.—A State may use not more than 15 percent of the funds allotted under paragraph (3) for administrative costs.

(5) DEFINITION OF STATE.—Notwithstanding subsection (e) and for the purposes of paragraphs (2)(A) and (3), the term "State" means each of the several States of the United States and the District of Columbia.

(e) DEFINITIONS.—In this section:

(1) ARTS.—The term "arts" includes, but is not limited to, music (instrumental and vocal), dance, drama, folk art, creative writing, architecture and allied fields, painting, sculpture, photography, graphic and craft arts, costume and fashion design, motion pictures, television, radio, film, video, tape and sound recording, the arts related to the presentation, performance, execution, and exhibition of such major art forms, all those traditional arts practiced by the diverse peoples of this country, and the study and application of the arts to the human environment.

(2) GOVERNOR.—The term "Governor" means the chief executive officer of a State.

(3) PRODUCTION.—The term "production" means plays (with or without music), ballet, dance and choral performances, concerts, recitals, operas, exhibitions, readings, motion pictures, television, radio, film, video tape

and sound recordings, and any other activities involving the execution or rendition of the arts.

(4) PROJECT.—The term "project" means programs organized to carry out this section, including programs to foster American artistic creativity, to commission works of art, to create opportunities for individuals to develop artistic talents when carried on as a part of a program otherwise included in this definition, and to develop and enhance public knowledge and understanding of the arts. Such term includes, where appropriate, rental or purchase of facilities, purchase or rental of land, and acquisition of equipment. Such term also includes the renovation of facilities if the amount of the expenditure of Federal funds for such purpose in the case of any project does not exceed \$250,000.

(5) SECRETARY.—The term "Secretary" means the Secretary of the Treasury.

(6) STATE.—The term "State" means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

(f) REPORT BY INSPECTOR GENERAL.—The Inspector General of the Department of the Treasury shall submit to Congress a report describing the extent to which States and the recipients of any proceeds of grant funds made available under subsection (a) comply with the requirements of this section.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$100,060,000 for fiscal year 1998.

ASHCROFT (AND OTHERS) AMENDMENT NO. 1188

Mr. ASHCROFT (for himself, Mr. HELMS, Mr. BROWBACK, Mr. SESSIONS, and Mr. INHOFE) proposed an amendment to the bill, H.R. 2107, supra; as follows:

Beginning on page 96, strike line 14 and all that follows through page 97, line 8.

THE FOOD AND DRUG ADMINISTRATION MODERNIZATION AND ACCOUNTABILITY ACT OF 1997 PRESCRIPTION DRUG USERS FEE REAUTHORIZATION ACT OF 1997

HUTCHINSON AMENDMENT NO. 1189

(Ordered to lie on the table.)

Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill, S. 830, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. . APPLICATION OF FEDERAL LAW TO THE PRACTICE OF PHARMACY COMPOUNDING.

Section 503 (21 U.S.C. 353) is amended by adding at the end the following:

"(h)(1) Sections 501(a)(2)(B), 502(f)(1), 502(l), 505, and 507 shall not apply to a drug product if—

"(A) the drug product is compounded for an identified individual patient, based on a medical need for a compound product—

"(i) by a licensed pharmacist in a State licensed pharmacy or a Federal facility, or a licensed physician, on the prescription order of a licensed physician or other licensed practitioner authorized by State law to prescribe drugs; or

"(ii) by a licensed pharmacist or licensed physician in limited quantities, prior to the