

96TH CONGRESS  
2D SESSION

# S. 2387

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## IN THE HOUSE OF REPRESENTATIVES

JULY 23, 1980

Referred to the Committee on the Judiciary

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# AN ACT

To aid State and local governments in strengthening and improving their judicial systems through the creation of a State Justice Institute.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

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### SHORT TITLE

4        SECTION 1. This Act may be cited as the "State Justice  
5 Institute Act of 1980".

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### FINDINGS AND PURPOSE

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SEC. 2. (a) The Congress finds and declares that—

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(1) the quality of justice in the Nation is largely

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determined by the quality of justice in State courts;

1           (2) State courts share with the Federal courts the  
2 general responsibility for enforcing the requirements of  
3 the Constitution and laws of the United States;

4           (3) in the Federal-State partnership of delivery of  
5 justice, the participation of the State courts has been  
6 increased by recently enacted Federal legislation;

7           (4) the maintenance of a high quality of justice in  
8 Federal courts has led to increasing efforts to divert  
9 cases to State courts;

10          (5) the Federal Speedy Trial Act has diverted  
11 criminal and civil cases to State courts;

12          (6) an increased responsibility has been placed on  
13 State court procedures by the Supreme Court of the  
14 United States;

15          (7) consequently, there is a significant Federal in-  
16 terest in maintaining strong and effective State courts;  
17 and

18          (8) strong and effective State courts are those  
19 which produce understandable, accessible, efficient, and  
20 equal justice, which requires—

21               (A) qualified judges and other court  
22 personnel;

23               (B) high quality education and training pro-  
24 grams for judges and other court personnel;

1 (C) appropriate use of qualified nonjudicial  
2 personnel to assist in court decisionmaking;

3 (D) structures and procedures which promote  
4 communication and coordination among courts and  
5 judges and maximize the efficient use of judges  
6 and court facilities;

7 (E) resource planning and budgeting which  
8 allocate current resources in the most efficient  
9 manner and forecast accurately the future de-  
10 mands for judicial services;

11 (F) sound management systems which take  
12 advantage of modern business technology, includ-  
13 ing records management procedures, data process-  
14 ing, comprehensive personnel systems, efficient  
15 juror utilization and management techniques, and  
16 advanced means for recording and transcribing  
17 court proceedings;

18 (G) uniform statistics on caseloads, disposi-  
19 tions, and other court-related processes on which  
20 to base day-to-day management decisions and  
21 long-range planning;

22 (H) sound procedures for managing caseloads  
23 and individual cases to assure the speediest possi-  
24 ble resolution of litigation;

1 (I) programs which encourage the highest  
2 performance of judges and courts to improve their  
3 functioning, to insure their accountability to the  
4 public, and to facilitate the removal of personnel  
5 who are unable to perform satisfactorily;

6 (J) rules and procedures which reconcile the  
7 requirements of due process with the need for  
8 speedy and certain justice;

9 (K) responsiveness to the need for citizen in-  
10 volvement in court activities through educating  
11 citizens to the role and functions of courts, and  
12 improving the treatment of witnesses, victims, and  
13 jurors; and

14 (L) innovative programs for increasing access  
15 to justice by reducing the cost of litigation and by  
16 developing alternative mechanisms and techniques  
17 for resolving disputes.

18 (b) It is the purpose of this Act to assist the State courts  
19 and organizations which support them to obtain the require-  
20 ments specified in subsection (a)(9) for strong and effective  
21 courts through a funding mechanism, consistent with doc-  
22 trines of separation of powers and federalism, and thereby to  
23 improve the quality of justice available to the American  
24 people.

## DEFINITIONS

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SEC. 3. As used in this Act, the term—

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(1) “Institute” means the State Justice Institute;

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(2) “Board” means the Board of Directors of the

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Institute;

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(3) “Director” means the Executive Director of

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the Institute;

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(4) “Governor” means the Chief Executive

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Officer of a State;

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(5) “recipient” means any grantee, contractor, or

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recipient of financial assistance under this Act;

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(6) “State” means any State of the United States,

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the District of Columbia, the Commonwealth of Puerto

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Rico, the Virgin Islands, Guam, American Samoa, the

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Northern Mariana Islands, the Trust Territory of the

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Pacific Islands, and any other territory or possession of

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the United States; and

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(7) “Supreme Court” means the highest appellate

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court within a State unless, for the purposes of this

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Act, a constitutionally or legislatively established judi-

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cial council acts in place of that court.

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## ESTABLISHMENT OF INSTITUTE; DUTIES

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SEC. 4. (a) There is established in the District of Co-

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lumbia a private nonprofit corporation which shall be known

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as the State Justice Institute. The purpose of the Institute

1 shall be to further the development and adoption of improved  
2 judicial administration in State courts in the United States.  
3 To the extent consistent with the provisions of this Act, the  
4 Institute shall exercise the powers conferred upon a nonprofit  
5 corporation by the District of Columbia Nonprofit Corpora-  
6 tion Act (except for section 1005(a) of title 29 of the District  
7 of Columbia Code).

8 (b) The Institute shall—

9 (1) direct a national program of assistance de-  
10 signed to assure each person ready access to a fair and  
11 effective system of justice by providing funds to—

12 (A) State courts;

13 (B) national organizations which support and  
14 are supported by State courts; and

15 (C) any other nonprofit organization that will  
16 support and achieve the purposes of this Act;

17 (2) foster coordination and cooperation with the  
18 Federal judiciary in areas of mutual concern;

19 (3) make recommendations concerning the proper  
20 allocation of responsibility between the State and Fed-  
21 eral court systems;

22 (4) promote recognition of the importance of the  
23 separation of powers doctrine to an independent  
24 judiciary; and

1           (5) encourage education for judges and support  
2           personnel of State court systems through national and  
3           State organizations, including universities.

4           (c) The Institute shall not duplicate functions adequately  
5           performed by existing nonprofit organizations and shall pro-  
6           mote, on the part of agencies of State judicial administration,  
7           responsibility for success and effectiveness of State court im-  
8           provement programs supported by Federal funding.

9           (d) The Institute shall maintain its principal offices in  
10          the District of Columbia and shall maintain therein a desig-  
11          nated agent to accept service of process for the Institute.  
12          Notice to or service upon the agent shall be deemed notice to  
13          or service upon the Institute.

14          (e) The Institute, and any program assisted by the Insti-  
15          tute, shall be eligible to be treated as an organization de-  
16          scribed in section 170(c)(2)(B) of the Internal Revenue Code  
17          of 1954 and as an organization described in section 501(c)(3)  
18          of the Internal Revenue Code of 1954 which is exempt from  
19          taxation under section 501(a) of such Code. If such treat-  
20          ments are conferred in accordance with the provisions of such  
21          Code, the Institute, and programs assisted by the Institute,  
22          shall be subject to all provisions of such Code relevant to the  
23          conduct of organizations exempt from taxation.

24          (f) The Institute shall afford notice and reasonable op-  
25          portunity for comment to interested parties prior to issuing

1 rules, regulations, guidelines, and instructions under this Act,  
2 and it shall publish in the Federal Register, at least thirty  
3 days prior to their effective date, all rules, regulations, guide-  
4 lines, and instructions.

5 **BOARD OF DIRECTORS**

6 **SEC. 5. (a)(1)** The Institute shall be supervised by a  
7 Board of Directors, consisting of eleven voting members to  
8 be appointed by the President, by and with the advice and  
9 consent of the Senate. The Board shall have both judicial and  
10 nonjudicial members, and shall, to the extent practicable,  
11 have a membership representing a variety of backgrounds  
12 and reflecting participation and interest in the administration  
13 of justice.

14 (2) The Board shall consist of—

15 (A) six judges, to be appointed in the manner pro-  
16 vided in paragraph (3);

17 (B) one State court administrator, to be appointed  
18 in the manner provided in paragraph (3); and

19 (C) four public members, no more than two of  
20 whom shall be of the same political party, to be ap-  
21 pointed in the manner provided in paragraph (4).

22 (3) The President shall appoint six judges and one State  
23 court administrator from a list of candidates submitted by the  
24 Conference of Chief Justices. The Conference of Chief Jus-  
25 tices shall submit a list of at least fourteen individuals, in-



1 cluding judges and State court administrators, whom the con-  
2 ference considers best qualified to serve on the Board. Prior  
3 to consulting with or submitting a list to the President, the  
4 Conference of Chief Justices shall obtain and consider the  
5 recommendations of all interested organizations and individ-  
6 uals concerned with the administration of justice and the  
7 objectives of this Act.

8 (4) In addition to those members appointed under para-  
9 graph (3), the President shall appoint four members from the  
10 public sector to serve on the Board.

11 (5) The President shall appoint the members under this  
12 subsection within sixty days from the date of enactment of  
13 this Act.

14 (b)(1) Except as provided in paragraph (2), the term of  
15 each voting member of the Board shall be three years. Each  
16 member of the Board shall continue to serve until the succes-  
17 sor to such member has been appointed and qualified.

18 (2) Five of the members first appointed by the President  
19 shall serve for a term of two years. Any member appointed to  
20 serve for an unexpired term arising by virtue of the death,  
21 disability, retirement, or resignation of a member shall be  
22 appointed only for such unexpired term, but shall be eligible  
23 for reappointment.

24 (3) The term of initial members shall commence from  
25 the date of the first meeting of the Board, and the term of

1 each member other than an initial member shall commence  
2 from the date of termination of the preceding term.

3 (c) No member shall be reappointed to more than two  
4 consecutive terms immediately following such member's ini-  
5 tial term.

6 (d) Members of the Board shall serve without compensa-  
7 tion, but shall be reimbursed for actual and necessary ex-  
8 penses incurred in the performance of their official duties.

9 (e) The members of the Board shall not, by reason of  
10 such membership, be considered officers or employees of the  
11 United States.

12 (f) Each member of the Board shall be entitled to one  
13 vote. A simple majority of the membership shall constitute a  
14 quorum for the conduct of business. The Board shall act upon  
15 the concurrence of a simple majority of the membership  
16 present and voting.

17 (g) The Board shall select from among the voting mem-  
18 bers of the Board a chairman, the first of whom shall serve  
19 for a term of three years. Thereafter, the Board shall annual-  
20 ly elect a chairman from among its voting members.

21 (h) A member of the Board may be removed by a vote of  
22 seven members for malfeasance in office, persistent neglect  
23 of, or inability to discharge, duties, or for any offense involv-  
24 ing moral turpitude, but for no other cause.

1 (i) Regular meetings of the Board shall be held quarter-  
2 ly. Special meetings shall be held from time to time upon the  
3 call of the chairman, acting at his own discretion or pursuant  
4 to the petition of any seven members.

5 (j) All meetings of the Board, any executive committee  
6 of the Board, and any council established in connection with  
7 this Act, shall be open and subject to the requirements and  
8 provisions of section 552b of title 5, United States Code,  
9 relating to open meetings.

10 (k) In its direction and supervision of the activities of the  
11 Institute, the Board shall—

12 (1) establish such policies and develop such pro-  
13 grams for the Institute as will further achievement of  
14 its purpose and performance of its functions;

15 (2) establish policy and funding priorities and issue  
16 rules, regulations, guidelines, and instructions pursuant  
17 to such priorities;

18 (3) appoint and fix the duties of the Executive Di-  
19 rector of the Institute, who shall serve at the pleasure  
20 of the Board and shall be a nonvoting ex officio  
21 member of the Board;

22 (4) present to other Government departments,  
23 agencies, and instrumentalities whose programs or ac-  
24 tivities relate to the administration of justice in the  
25 State judiciaries of the United States, the recommenda-

1 tions of the Institute for the improvement of such pro-  
2 grams or activities;

3 (5) consider and recommend to both public and  
4 private agencies aspects of the operation of the State  
5 courts of the United States considered worthy of spe-  
6 cial study; and

7 (6) award grants and enter into cooperative agree-  
8 ments or contracts pursuant to section 7(a).

9 OFFICERS AND EMPLOYEES

10 SEC. 6. (a)(1) The Director, subject to general policies  
11 established by the Board, shall supervise the activities of per-  
12 sons employed by the Institute and may appoint and remove  
13 such employees as he determines necessary to carry out the  
14 purposes of the Institute. The Director shall be responsible  
15 for the executive and administrative operations of the Insti-  
16 tute, and shall perform such duties as are delegated to such  
17 Director by the Board and the Institute.

18 (2) No political test or political qualification shall be  
19 used in selecting, appointing, promoting, or taking any other  
20 personnel action with respect to any officer, agent, or em-  
21 ployee of the Institute, or in selecting or monitoring any  
22 grantee, contractor, person, or entity receiving financial as-  
23 sistance under this Act.

24 (b) Officers and employees of the Institute shall be com-  
25 pensated at rates determined by the Board, but not in excess

1 of the rate of level V of the Executive Schedule specified in  
2 section 5316 of title 5, United States Code.

3 (c)(1) Except as otherwise specifically provided in this  
4 Act, the Institute shall not be considered a department,  
5 agency, or instrumentality of the Federal Government.

6 (2) This Act does not limit the authority of the Office of  
7 Management and Budget to review and submit comments  
8 upon the Institute's annual budget request at the time it is  
9 transmitted to the Congress.

10 (d)(1) Except as provided in paragraph (2), officers and  
11 employees of the Institute shall not be considered officers or  
12 employees of the United States.

13 (2) Officers and employees of the Institute shall be con-  
14 sidered officers and employees of the United States solely for  
15 the purposes of the following provisions of title 5, United  
16 States Code: Subchapter I of chapter 81 (relating to compen-  
17 sation for work injuries); chapter 83 (relating to civil service  
18 retirement); chapter 87 (relating to life insurance); and chap-  
19 ter 89 (relating to health insurance). The Institute shall make  
20 contributions under the provisions referred to in this subsec-  
21 tion at the same rates applicable to agencies of the Federal  
22 Government.

23 (e) The Institute and its officers and employees shall be  
24 subject to the provisions of section 552 of title 5, United  
25 States Code, relating to freedom of information.

## 1 GRANTS AND CONTRACTS

2 SEC. 7. (a) The Institute is authorized to award grants  
3 and enter into cooperative agreements or contracts, in a  
4 manner consistent with subsection (b), in order to—

5 (1) conduct research, demonstrations, or special  
6 projects pertaining to the purposes described in this  
7 Act, and provide technical assistance and training in  
8 support of tests, demonstrations, and special projects;

9 (2) serve as a clearinghouse and information  
10 center, where not otherwise adequately provided, for  
11 the preparation, publication, and dissemination of infor-  
12 mation regarding State judicial systems;

13 (3) participate in joint projects with other agen-  
14 cies, including the Federal Judicial Center, with re-  
15 spect to the purposes of this Act;

16 (4) evaluate, when appropriate, the programs and  
17 projects carried out under this Act to determine their  
18 impact upon the quality of criminal, civil, and juvenile  
19 justice and the extent to which they have met or failed  
20 to meet the purposes and policies of this Act;

21 (5) encourage and assist in the furtherance of judi-  
22 cial education;

23 (6) encourage, assist, and serve in a consulting  
24 capacity to State and local justice system agencies in  
25 the development, maintenance, and coordination of

1 criminal, civil, and juvenile justice programs and serv-  
2 ices; and

3 (7) be responsible for the certification of national  
4 programs that are intended to aid and improve State  
5 judicial systems.

6 (b) The Institute is empowered to award grants and  
7 enter into cooperative agreements or contracts as follows:

8 (1) The Institute shall give priority to grants, co-  
9 operative agreements, or contracts with—

10 (A) State and local courts and their agencies,

11 (B) national nonprofit organizations con-  
12 trolled by, operating in conjunction with, and  
13 serving the judicial branches of State govern-  
14 ments; and

15 (C) national nonprofit organizations for the  
16 education and training of judges and support per-  
17 sonnel of the judicial branch of State govern-  
18 ments.

19 (2) The Institute may, if the objective can better  
20 be served thereby, award grants or enter into coopera-  
21 tive agreements or contracts with—

22 (A) other nonprofit organizations with exper-  
23 tise in judicial administration;

24 (B) institutions of higher education;

1 (C) individuals, partnerships, firms, or corpo-  
2 rations; and

3 (D) private agencies with expertise in judicial  
4 administration.

5 (3) Upon application by an appropriate Federal,  
6 State or local agency or institution and if the arrange-  
7 ments to be made by such agency or institution will  
8 provide services which could not be provided adequate-  
9 ly through nongovernmental arrangements, the Insti-  
10 tute may award a grant or enter into a cooperative  
11 agreement or contract with a unit of Federal, State, or  
12 local government other than a court.

13 (4) Each application for funding by a State or  
14 local court shall be approved by the State's supreme  
15 court, or its designated agency or council, which shall  
16 receive, administer, and be accountable for all funds  
17 awarded by the Institute to such courts.

18 (c) Funds available pursuant to grants, cooperative  
19 agreements, or contracts awarded under this section may be  
20 used—

21 (1) to assist State and local court systems in es-  
22 tablishing appropriate procedures for the selection and  
23 removal of judges and other court personnel and in de-  
24 termining appropriate levels of compensation;



1           (2) to support education and training programs for  
2 judges and other court personnel, for the performance  
3 of their general duties and for specialized functions,  
4 and to support national and regional conferences and  
5 seminars for the dissemination of information on new  
6 developments and innovative techniques;

7           (3) to conduct research on alternative means for  
8 using nonjudicial personnel in court decisionmaking ac-  
9 tivities, to implement demonstration programs to test  
10 innovative approaches, and to conduct evaluations of  
11 their effectiveness;

12           (4) to assist State and local courts in meeting re-  
13 quirements of Federal law applicable to recipients of  
14 Federal funds;

15           (5) to support studies of the appropriateness and  
16 efficacy of court organizations and financing structures  
17 in particular States, and to enable States to implement  
18 plans for improved court organization and finance;

19           (6) to support State court planning and budgeting  
20 staffs and to provide technical assistance in resource  
21 allocation and service forecasting techniques;

22           (7) to support studies of the adequacy of court  
23 management systems in State and local courts and to  
24 implement and evaluate innovative responses to prob-  
25 lems of record management, data processing, court

1 personnel management, reporting and transcription of  
2 court proceedings, and juror utilization and manage-  
3 ment;

4 (8) to collect and compile statistical data and  
5 other information on the work of the courts and on the  
6 work of other agencies which relate to and effect the  
7 work of courts;

8 (9) to conduct studies of the causes of trial and  
9 appellate court delay in resolving cases, and to estab-  
10 lish and evaluate experimental programs for reducing  
11 case processing time;

12 (10) to develop and test methods for measuring  
13 the performance of judges and courts and to conduct  
14 experiments in the use of such measures to improve  
15 their functioning;

16 (11) to support studies of court rules and proce-  
17 dures, discovery devices, and evidentiary standards, to  
18 identify problems with their operation, to devise alter-  
19 native approaches to better reconcile the requirements  
20 of due process with the needs for swift and certain jus-  
21 tice, and to test their utility;

22 (12) to support studies of the outcomes of cases in  
23 selected subject matter areas to identify instances in  
24 which the substance of justice meted out by the courts  
25 diverges from public expectations of fairness, consisten-

1 cy, or equity, to propose alternative approaches to the  
2 resolving of cases in problem areas, and to test and  
3 evaluate those alternatives;

4 (13) to support programs to increase court respon-  
5 siveness to the needs of citizens through citizen educa-  
6 tion, improvement of court treatment of witnesses, vic-  
7 tims, and jurors, and development of procedures for ob-  
8 taining and using measures of public satisfaction with  
9 court processes to improve court performance;

10 (14) to test and evaluate experimental approaches  
11 to providing increased citizen access to justice, includ-  
12 ing processes which reduce the cost of litigating  
13 common grievances and alternative techniques and  
14 mechanisms for resolving disputes between citizens;  
15 and

16 (15) to carry out such other programs, consistent  
17 with the purposes of this Act, as may be deemed ap-  
18 propriate by the Institute.

19 (d) The Institute shall incorporate in any grant, cooper-  
20 ative agreement, or contract awarded under this section in  
21 which a State or local judicial system is the recipient, the  
22 requirement that the recipient provide a match, from private  
23 or public sources, equal to 25 per centum of the total cost of  
24 such grant, cooperative agreement, or contract, except that  
25 such requirement may be waived in exceptionally rare cir-

1 cumstances upon the approval of the chief justice of the high-  
2 est court of the State and a majority of the Board of  
3 Directors.

4 (e) The Institute shall monitor and evaluate, or provide  
5 for independent evaluations of, programs supported in whole  
6 or in part under this Act to insure that the provisions of this  
7 Act, the bylaws of the Institute, and the applicable rules,  
8 regulations, and guidelines promulgated pursuant to this Act,  
9 are carried out.

10 (f) The Institute shall provide for an independent study  
11 of the financial and technical assistance programs under this  
12 Act.

13 LIMITATIONS ON GRANTS AND CONTRACTS

14 SEC. 8. (a) With respect to grants or contracts made  
15 under this Act, the Institute shall—

16 (1) insure that no funds made available to recipi-  
17 ents by the Institute shall be used at any time, directly  
18 or indirectly, to influence the issuance, amendment, or  
19 revocation of any Executive order or similar promulga-  
20 tion by any Federal, State, or local agency, or to un-  
21 dertake to influence the passage or defeat of any legis-  
22 lation by the Congress of the United States, or by any  
23 State or local legislative body, or any State proposal  
24 by initiative petition, unless a governmental agency,  
25 legislative body, a committee, or a member thereof—

1 (A) requests personnel of the recipients to  
2 testify, draft, or review measures or to make rep-  
3 resentations to such agency, body, committee, or  
4 member; or

5 (B) is considering a measure directly affect-  
6 ing the activities under this Act of the recipient or  
7 the Institute;

8 (2) insure all personnel engaged in grant or con-  
9 tract assistance activities supported in whole or part by  
10 the Institute refrain, while so engaged, from any parti-  
11 san political activity; and

12 (3) insure that every grantee, contractor, person,  
13 or entity receiving financial assistance under this Act  
14 which files with the Institute a timely application for  
15 refunding is provided interim funding necessary to  
16 maintain its current level of activities until—

17 (A) the application for refunding has been  
18 approved and funds pursuant thereto received; or

19 (B) the application for refunding has been fi-  
20 nally denied in accordance with section 8 of this  
21 Act.

22 (b) No funds made available by the Institute under this  
23 Act, either by grant or contract, may be used to support or  
24 conduct training programs for the purpose of advocating par-

1 ticular nonjudicial public policies or encouraging nonjudicial  
2 political activities.

3 (c) The authorization to enter into contracts or any  
4 other obligation under this Act shall be effective for fiscal  
5 year 1981 and any succeeding fiscal year only to the extent,  
6 and in such amounts, as are provided in advance in appropri-  
7 ation Acts.

8 (d) To insure that funds made available under this Act  
9 are used to supplement and improve the operation of State  
10 courts, rather than to support basic court services, funds shall  
11 not be used—

12 (1) to supplant State or local funds currently sup-  
13 porting a program or activity; or

14 (2) to construct court facilities or structures,  
15 except to remodel existing facilities to demonstrate  
16 new architectural or technological techniques, or to  
17 provide temporary facilities for new personnel or for  
18 personnel involved in a demonstration or experimental  
19 program.

20 RESTRICTIONS ON ACTIVITIES OF THE INSTITUTE

21 SEC. 9. (a) The Institute shall not—

22 (1) participate in litigation unless the Institute or  
23 a recipient of the Institute is a party, and shall not  
24 participate on behalf of any client other than itself;

1           (2) interfere with the independent nature of any  
2 State judicial system nor allow sums to be used for the  
3 funding of regular judicial and administrative activities  
4 of any State judicial system other than pursuant to the  
5 terms of any grant, cooperative agreement, or contract  
6 with the Institute, consistent with the requirements of  
7 this Act; or

8           (3) undertake to influence the passage or defeat of  
9 any legislation by the Congress of the United States or  
10 by any State or local legislative body, except that per-  
11 sonnel of the Institute may testify or make other ap-  
12 propriate communication—

13                   (A) when formally requested to do so by a  
14 legislative body, committee, or a member thereof;

15                   (B) in connection with legislation or appro-  
16 priations directly affecting the activities of the In-  
17 stitute; or

18                   (C) in connection with legislation or appro-  
19 priations dealing with improvements in the State  
20 judiciary, consistent with the provisions of this  
21 Act.

22           (b)(1) The Institute shall have no power to issue any  
23 shares of stock, or to declare or pay any dividends.

24           (2) No part of the income or assets of the Institute shall  
25 inure to the benefit of any director, officer, or employee,

1 except as reasonable compensation for services or reimburse-  
2 ment for expenses.

3 (3) Neither the Institute nor any recipient shall contrib-  
4 ute or make available Institute funds or program personnel or  
5 equipment to any political party or association, or the cam-  
6 paign of any candidate for public or party office.

7 (4) The Institute shall not contribute or make available  
8 Institute funds or program personnel or equipment for use in  
9 advocating or opposing any ballot measure, initiative, or ref-  
10 erendum, except those dealing with improvement of the State  
11 judiciary, consistent with the purposes of this Act.

12 (c) Officers and employees of the Institute or of recipi-  
13 ents shall not at any time intentionally identify the Institute  
14 or the recipient with any partisan or nonpartisan political ac-  
15 tivity associated with a political party or association, or the  
16 campaign of any candidate for public or party office.

17 SPECIAL PROCEDURES

18 SEC. 10. The Institute shall prescribe procedures to  
19 insure that—

20 (1) financial assistance under this Act shall not be  
21 suspended unless the grantee, contractor, person, or  
22 entity receiving financial assistance under this Act has  
23 been given reasonable notice and opportunity to show  
24 cause why such actions should not be taken; and



1           (2) financial assistance under this Act shall not be  
2 terminated, an application for refunding shall not be  
3 denied, and a suspension of financial assistance shall  
4 not be continued for longer than thirty days, unless the  
5 grantee, contractor, person, or entity receiving finan-  
6 cial assistance under this Act has been afforded reason-  
7 able notice and opportunity for a timely, full, and fair  
8 hearing, and, when requested, such hearing shall be  
9 conducted by an independent hearing examiner. Such  
10 hearing shall be held prior to any final decision by the  
11 Institute to terminate financial assistance or suspend or  
12 deny funding. Hearing examiners shall be appointed by  
13 the Institute in accordance with procedures established  
14 in regulations promulgated by the Institute.

15                                   PRESIDENTIAL COORDINATION

16       SEC. 11. The President may, to the extent not incon-  
17 sistent with any other applicable law, direct that appropriate  
18 support functions of the Federal Government may be made  
19 available to the Institute in carrying out its functions under  
20 this Act.

21                                   RECORDS AND REPORTS

22       SEC. 12. (a) The Institute is authorized to require such  
23 reports as it deems necessary from any grantee, contractor,  
24 person, or entity receiving financial assistance under this Act  
25 regarding activities carried out pursuant to this Act.

1           (b) The Institute is authorized to prescribe the keeping  
2 of records with respect to funds provided by grant or contract  
3 and shall have access to such records at all reasonable times  
4 for the purpose of insuring compliance with the grant or con-  
5 tract or the terms and conditions upon which financial assist-  
6 ance was provided.

7           (c) Copies of all reports pertinent to the evaluation, in-  
8 spection, or monitoring of any grantee, contractor, person, or  
9 entity receiving financial assistance under this Act shall be  
10 submitted on a timely basis to such grantee, contractor, or  
11 person or entity, and shall be maintained in the principal  
12 office of the Institute for a period of at least five years after  
13 such evaluation, inspection, or monitoring. Such reports shall  
14 be available for public inspection during regular business  
15 hours, and copies shall be furnished, upon request, to inter-  
16 ested parties upon payment of such reasonable fees as the  
17 Institute may establish.

18           (d) Non-Federal funds received by the Institute, and  
19 funds received for projects funded in part by the Institute or  
20 by any recipient from a source other than the Institute, shall  
21 be accounted for and reported as receipts and disbursements  
22 separate and distinct from Federal funds.

23

## AUDITS

24           SEC. 13. (a)(1) The accounts of the Institute shall be  
25 audited annually. Such audits shall be conducted in accord-

1 ance with generally accepted auditing standards by independ-  
2 ent certified public accountants who are certified by a  
3 regulatory authority of the jurisdiction in which the audit is  
4 undertaken.

5 (2) The audits shall be conducted at the place or places  
6 where the accounts of the Institute are normally kept. All  
7 books, accounts, financial records, reports, files, and other  
8 papers or property belonging to or in use by the Institute and  
9 necessary to facilitate the audits shall be made available to  
10 the person or persons conducting the audits. The full facilities  
11 for verifying transactions with the balances and securities  
12 held by depositories, fiscal agents, and custodians shall be  
13 afforded to any such person.

14 (3) The report of the annual audit shall be filed with the  
15 General Accounting Office and shall be available for public  
16 inspection during business hours at the principal office of the  
17 Institute.

18 (b)(1) In addition to the annual audit, the financial trans-  
19 actions of the Institute for any fiscal year during which Fed-  
20 eral funds are available to finance any portion of its oper-  
21 ations may be audited by the General Accounting Office in  
22 accordance with such rules and regulations as may be pre-  
23 scribed by the Comptroller General of the United States.

24 (2) Any such audit shall be conducted at the place or  
25 places where accounts of the Institute are normally kept. The

1 representatives of the General Accounting Office shall have  
2 access to all books, accounts, financial records, reports, files,  
3 and other papers or property belonging to or in use by the  
4 Institute and necessary to facilitate the audit. The full facili-  
5 ties for verifying transactions with the balances and securities  
6 held by depositories, fiscal agents, and custodians shall be  
7 afforded to such representatives. All such books, accounts,  
8 financial records, reports, files, and other papers or property  
9 of the Institute shall remain in the possession and custody of  
10 the Institute throughout the period beginning on the date  
11 such possession or custody commences and ending three  
12 years after such date, but the General Accounting Office may  
13 require the retention of such books, accounts, financial rec-  
14 ords, reports, files, and other papers or property for a longer  
15 period under section 117(b) of the Accounting and Auditing  
16 Act of 1950 (31 U.S.C. 67(b)).

17 (3) A report of such audit shall be made by the Comp-  
18 troller General to the Congress and to the Attorney General,  
19 together with such recommendations with respect thereto as  
20 the Comptroller General deems advisable.

21 (c)(1) The Institute shall conduct, or require each  
22 grantee, contractor, person, or entity receiving financial as-  
23 sistance under this Act to provide for, an annual fiscal audit.  
24 The report of each such audit shall be maintained for a period  
25 of at least five years at the principal office of the Institute.

1           (2) The Institute shall submit to the Comptroller Gener-  
2 al of the United States copies of such reports, and the Comp-  
3 troller General may, in addition, inspect the books, accounts,  
4 financial records, files, and other papers or property belong-  
5 ing to or in use by such grantee, contractor, person, or entity,  
6 which relate to the disposition or use of funds received from  
7 the Institute. Such audit reports shall be available for public  
8 inspection during regular business hours, at the principal  
9 office of the Institute.

10

## AUTHORIZATIONS

11           SEC. 14. There are authorized to be appropriated for  
12 fiscal year 1982 such sums as may be necessary to carry out  
13 the provisions of this Act.

          Passed the Senate July 21 (legislative day, June 12),  
1980.

Attest:

J. S. KIMMITT,

*Secretary.*