

**National Endowment for the Arts Supporting Statement
Justification for NEA Application Guidelines in Response to the American
Recovery and Reinvestment Act of 2009 ("Recovery Act")**

A. Justification

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

The American Recovery and Reinvestment Act of 2009 authorizes the Chairman of the National Endowment for the Arts to carry out a program of grants-in-aid for projects that focus on the preservation of jobs in the arts as follows:

NATIONAL ENDOWMENT FOR THE ARTS
GRANTS AND ADMINISTRATION

For an additional amount for "Grants and Administration", \$50,000,000, to be distributed in direct grants to fund arts projects and activities which preserve jobs in the non-profit arts sector threatened by declines in philanthropic and other support during the current economic downturn: *Provided*, That 40 percent of such funds shall be distributed to State arts agencies and regional arts organizations in a manner similar to the agency's current practice and 60 percent of such funds shall be for competitively selected arts projects and activities according to sections 2 and 5(c) of the National Foundation on the Arts and Humanities Act of 1965 (20 U.S.C. 951, 954(c)): *Provided further*, That matching requirements under section 5(e) of such Act shall be waived.

An emergency clearance is requested to conform with the expedited nature of the Recovery Act and to provide Recovery Act funds to benefit ground-level constituents as soon as possible. The NEA is requesting OMB approval within 24 hours of submission of this ICR.

Projects will be administered in line with the agency's enabling legislation (20 U.S.C. §954). The Chairman, following general principles and criteria recommended by advisory panelists and the National Council on the Arts for its regular grant programs, has established eligibility requirements and criteria for the review of applications received in connection with the Recovery Act. Awards will be made to nonprofit organizations and government agencies on a competitive basis as required by the Recovery Act.

The Arts Endowment anticipates that the limited federal funds available under the Recovery Act will not allow for funding of all of the qualified requests that it receives.

Competitive review of applications for financial assistance will be performed by advisory panelists and the National Council on the Arts (composed of 14 presidentially-appointed members and six members of Congress who serve ex officio). The Council sends forward to the Chairman of the Arts Endowment those applications that it recommends for funding. The Arts Endowment Chairman reviews the Council's recommendations and makes the final decision on all awards. The information that is collected on the application form and accompanying supplemental materials is used in the review process. This information is necessary for the accurate, fair, and thorough consideration of competing proposals.

Recipients of federal funds under the Recovery Act will be required to report on project activities and expenditures in line with the requirements of the Act. The Arts Endowment is not requesting approval of reporting requirements at this time as it is awaiting guidance from OMB on the specific instructions that will be necessary.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

NEA staff will make the information gathered in response to the application guidelines available to the advisory panelists with the appropriate expertise. Each panel comprises a diverse group of arts experts and other individuals including at least one knowledgeable layperson.

The application guidelines ensure that all applicants submit comparable information. Without the specific instructions provided by the guidelines, applications would vary in length, format, and consistency and the job of reviewing them would be unmanageable. If this information was not collected (or not collected in a standardized manner), panelists, the National Council, and the Arts Endowment's Chairman would not have the basis on which to make sound evaluations and recommendations. Arbitrary or random methods would be required to select applications for funding.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

The Arts Endowment will make these application guidelines available on its Web site; a link will provide direct access to the appropriate application package on Grants.gov. All applicants are required to submit their applications electronically through Grants.gov.

This funding opportunity is limited to organizations that have received NEA support within the past four years. The Arts Endowment has worked with its applicants and grantees during this period to assure a smooth transition to electronic application through Grants.gov, including registration. Most of our applicants, as well as our staff, have become much more familiar and comfortable with electronic application. We are also using postings on our Web site and e-mail blasts to alert eligible organizations to this funding opportunity.

This heightened familiarity with technology and Grants.gov is reflected in the burden estimates that we are providing with this statement.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

The Arts Endowment uses standard Grants.gov forms for all of its electronic applications: SF-424 Mandatory and Disclosure of Lobbying Activities (SF-LLL) for government agencies and SF-424-Short for nonprofit organizations; the Attachments Form will be used for both. The NEA has carefully analyzed its own additional forms to make certain that there is no duplication with the information requested by the Grants.gov forms. These NEA forms have been previously approved by OMB under Collection 3135-0112.

The Grants.gov and the NEA forms, together with other required supplementary material, request the information that the agency needs to assess fairly applications for financial assistance. Especially in light of the accelerated nature of the Recovery Act program, the Arts Endowment has carefully examined the information it is requesting to assure that only essential, succinct information is requested, and that application material is a streamlined version of what is regularly requested from applicants under OMB approval 3135-0112. Applications under this job preservation program are for single, highly specific projects. This project, the personnel involved, and the funding requested are unique. Information gathered in connection with any other Arts Endowment grant would not be relevant.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

The NEA is highly cognizant of the pressures facing all of the arts at this troublesome time and is especially sensitive to the constraints faced by small, independently-run, nonprofit organizations, as well as the expedited nature of the Recovery Act. Therefore, special attention has been given to minimizing the burden on applicants throughout the development of these guidelines.

Because the applicant pool is limited to previous grantees, and because the forms required of applicants are already familiar to them, it is anticipated that the burden on applicants will be minimized.

6. Describe the consequence to federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The collection of information correlates directly with the specific application deadlines that are listed in the guidelines. These deadlines have been developed, in response to the Recovery Act, to expedite the distribution of funds at this critical time. Applicants are limited to a single application for a specific job preservation project. This is a unique, one-time opportunity. The collection of information is in direct response to this opportunity.

Panelists review applications on their merits and in competition with other organizations' applications for arts funding under the Recovery Act. If the requested information was not collected, panelists would not have timely or accurate information on which to base their evaluations. The Arts Endowment would be unable to ensure the fair and accountable use of federal funds under the Recovery Act.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has**

instituted procedures to protect the information's confidentiality to the extent permitted by law.

The NEA is using two different instruments to collect information from applicants for Recovery Act funds: 1) for nonprofit arts organizations; and 2) for state arts agencies (SAAs), regional arts organizations (RAOs), and the national service organization for the SAAs and RAOs. The collection of information from nonprofit arts organizations should proceed in a manner that does not necessitate any of the special requirements noted above.

The collection of information from the SAAs, RAOs, and the related service organization, however, requests response in fewer than 30 days. The SAAs and RAOs are partner organizations of the NEA and have been kept fully abreast of all developments relating to the arts as the Recovery Act has been debated and passed by Congress. These organizations are ready to plan their own programs that will use the NEA funds (the 40% that is legislatively earmarked for the SAAs and RAOs) for subgranting to their own constituents. A short turn-around time at the application stage for the SAAs and RAOs will ensure that these agencies can receive and subgrant the federal funds in a timely manner. The ultimate goal is to get the Recovery Act funds out to benefit the ground-level constituents as soon as possible. In addition, the plan is to take applications from the SAAs, RAOs, and the related service organization to the previously scheduled March 2009 meeting of the National Council on the Arts for review and approval, as required by the NEA's legislation (which also requires panel review), and this cannot be accomplished without a response time of fewer than 30 days.

8. **If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8 (d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years--even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

Because of the expedited nature of this program, the Arts Endowment requested and received a waiver from the above Federal Register requirements.

Timing also precluded the convening of any formal panel or other advisory meetings specifically to discuss the funding guidelines developed in response to the Recovery Act. However, Arts Endowment staff members regularly consult informally with individuals in their fields, including on issues relevant to the Recovery Act. In addition, these application requirements are streamlined versions of application material (approved under 3135-0112) for which there has been extensive consultation with the field and members of the public. In developing these guidelines, NEA staff remained sensitive to issues relating to the clarity of guidelines that panelists, members of the National Council on the Arts, service organizations, and SAA representatives have raised over the years.

9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.

Not applicable. The Arts Endowment does not provide any payments or gifts to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Assurance of confidentiality is provided under the terms of the Privacy Act of 1974. The Arts Endowment is authorized to solicit applicant information by the agency's enabling legislation [20 U.S.C. §954].

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

No questions of a sensitive nature are included in the information collection.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain**

information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

- If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.
- Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.

ESTIMATED BURDEN (IN HOURS) FOR APPLICATIONS

The chart below is broken out by 1) nonprofit organizations and 2) government agencies, which correspond to the two basic sets of forms/supplementary material that the NEA will be using in connection with the Recovery Act. Figures are based on a frequency of one response per applicant.

Type of Recipient	Est. # of Apps	Average Time per App	Est. Reporting Burden for Applications (Hours)
Nonprofit Orgs	3,000	8	24,000
Gov Agencies	63	8	504
TOTALS	3,063	8	24,504

The application guidelines burden is estimated at 24,504 hours. This burden is calculated by multiplying the estimated number of applications for each type of applicant x the estimated average hourly response burden of 8 hours x 1 response per year. The category totals are added together for an agency-wide estimate of 24,504 hours.

COST TO RESPONDENTS/APPLICATIONS

Type of Recipient	Est. # of Apps	Average # of Hours per Application	Total Hours	Average Hourly Wage	Total
Nonprofit Orgs	3,000	4 (Prof Staff)	12,000	\$26	\$312,000
		4 (Spt Staff)	12,000	\$14	\$168,000
Subtotal					\$480,000
Gov Agencies	63	4 (Prof Staff)	252	\$26	\$6,552
		4 (Spt Staff)	252	\$14	\$3,528
Subtotal					\$10,080
TOTALS	3,063		24,504	20	\$490,080

TOTAL COST TO RESPONDENTS = \$490,080

The figures above were estimated as follows. NEA staff was consulted as to the division of respondent time between Professional Staff and Support Staff for each type of recipient. Salaries for personnel at nonprofit organizations and government agencies were estimated based on 1) salaries provided in the Arts Endowment's most recent submission under PRA; and 2) a sampling of salaries presented in current applications; and 3) consultation with NEA staff.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14.)
- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.
 - If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be

a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

- Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

Not applicable. There are no annual costs to respondents or recordkeepers resulting from this collection of information.

14. Provide estimates of annualized cost to the federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

COST TO FEDERAL GOVERNMENT

NEA Application Review

Type of Review	Est. #	Average # of Hours per Application	Total Hours	Average Hourly Wage	Total
Applications	3,063	3	9,189	\$65	\$597,285
TOTAL					\$597,285

TOTAL COST TO FEDERAL GOVERNMENT = \$597,285

In the chart above, the estimated number of hours for staff review of applications is based on staff experience with similar tasks in the past. The Average Hourly Wage is based on the following. The review of applications is projected to average 3 hours each, with this time split evenly between the Program Director and the Discipline Specialist. We averaged the pay of a GS-15/Step 5 Program Director and a Specialist at GS 12/Step 5 (using the Office of Personnel Management Salary

Tables for the D.C. area) to come up with an average hourly rate of \$53. To this, we added 23% fringe benefits for a total of \$65.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 or on the ICR.

This is a new collection of information in response to the Recovery Act. Figures are new and do not reflect adjustments to previously reported information.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Not applicable.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

Displaying the expiration date for OMB approval of the information collection is appropriate. The expiration date will be displayed on all application guidelines.

18. Explain each exception to the certification statement identified in "Certification for Paperwork Reduction Act Submissions."

Not applicable. There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

Not applicable. This collection of information does not employ statistical methods.