

The NSF requests approval for a non-substantive change to the 2008 NSCG late stage incentive plan, which was approved by OMB on February 9, 2009. The OMB approved plan stated that NSCG would use a \$20 prepaid incentive but we would like to change the incentive offer to a \$20 postpaid incentive.

This change is requested because of new information NSF has received about the terms of Census' Gift Card (GC) contract for the NSCG (Census, unlike the private contractors for the NSRCG and the SDR will not/cannot issue checks for incentives). The proposed plan for the NSCG late stage incentive was based on NSF's understanding that all unused GC balance would be returned to the Census Bureau by the GC vendor upon the card expiration, which was the case for the 2006 NSCG incentive experiments. When NSF discussed the terms of the GC contract with Census, we were assured that the unused funds would be returned to the government. Only after NSF requested again that Census double check the GC contract terms before ordering the GCs, did Census inform NSF that this was not the case with the current GC contract. The GC contractor would retain all the unused funds.

Given this situation, we believe that it is inappropriate and fiscally irresponsible for NSF to offer the GCs as a prepaid incentive. The nonrespondents at this late stage in the data collection have unknown quality of mailing addresses and we estimate only about 25-30% will respond to the incentive offer, based on previous experience. That would mean that most of the funds allocated for the late stage incentive would remain with the GC contractor as a windfall if the GCs are offered as a pre-paid incentive.