

**National Endowment for the Arts (“NEA”) Supporting Statement
Justification for NEA Notice of Funding Opportunities and Reporting
Requirements in Response to the American Rescue Plan Act of 2021 (“Rescue
Plan”)**

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 Rescue Plan Act of 2021 authorizes the NEA Chairman to carry out a program of grants-in-aid for proposals that focus on COVID-19 pandemic relief as follows:

2021. NATIONAL ENDOWMENT FOR THE ARTS.

In addition to amounts otherwise available, there is appropriated for fiscal year 2021, out of any money in the Treasury not otherwise appropriated, \$135,000,000, to remain available until expended, under the National Foundation on the Arts and the Humanities Act of 1965, as follows:

- (1) Forty percent shall be for grants, and relevant administrative expenses, to State arts agencies and regional arts organizations that support organizations’ programming and general operating expenses to cover up to 100 percent of the costs of the programs which the grants support, to prevent, prepare for, respond to, and recover from the coronavirus.
- (2) Sixty percent shall be for direct grants, and relevant administrative expenses, that support organizations’ programming and general operating expenses to cover up to 100 percent of the costs of the programs which the grants support, to prevent, prepare for, respond to, and recover from the coronavirus.

Permission to submit an emergency clearance for NEA’s Rescue Plan NOFOs and reporting requirements was requested by the NEA and approved by OMB on 3/30/2021. Emergency clearance of these materials is needed to conform with the expedited nature of the Rescue Plan. Rescue Plan funds will help to fuel the nation’s recovery from the devastating economic and health effects of the COVID-19 pandemic. For the arts sector, these funds are intended to help support jobs and keep the doors open to thousands of arts organizations nationwide. The NEA is requesting OMB approval of our materials within 14 days of submission of this ICR.

This program will be administered in accordance with the agency’s enabling legislation (20 U.S.C. §954), which requires grant application review by advisory panelists and the National Council on the Arts. The NEA anticipates that the limited federal funds available under the Rescue Plan 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. The NEA Chairman reviews the Council's recommendations and makes the final decision on all awards. The information that is collected through the Rescue Plan NOFOs is necessary to review these grant applications. This information is necessary for the accurate, equitable, and thorough consideration of competing proposals.

Likewise, recipients of federal funds are also required to report on project activities and expenditures via the reporting requirements submitted with this request. This is necessary to ensure that federal Rescue Plan funds are expended in accordance with the terms and conditions of the grant award.

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 NOFOs 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 NOFOs ensure that all applicants submit comparable information. Without the specific instructions provided by the NOFOs, 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 NEA 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.

Similarly, final reports are required in order to ascertain that funded projects are proceeding with and/or have been completed according to all of the terms and conditions of the federal grant.

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 NEA makes all of its NOFOs available on its website and places application packages for all of its funding categories on Grants.gov. Our NOFOs provide direct links to the application packages on Grants.gov for easy maneuverability. All

applicants are required to submit their applications electronically through Grants.gov and the NEA's online applicant portal via a webform. (Waivers are extremely limited, available only to those who do not have internet access available within 30 miles of their organization's business office or in cases where disability prevents the submission of an electronic application.)

The NEA also posts all of the instructions and forms for its reporting requirements on its website. Reports must be submitted to the agency electronically through our online grants management system.

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 NEA uses standard Grants.gov forms for all of its electronic applications, namely the SF-424-Short for nonprofit and related organizations. In addition, responses to narrative and budget questions are submitted electronically through a webform accessible via the NEA's online Applicant Portal.

The NEA usually supports project-based funding for arts organizations only. The Rescue Plan legislation, however, specifies that funds be available for general operating expenses. As a result, the NEA has created Rescue Plan NOFOs that will gather the information necessary to assess these applications and their proposed costs and to make grant awards. NOFOs will be available for two Rescue Plan funding opportunities: one for Grants to Organizations, and another for Grants to Local Arts Agencies for Subgranting programs. Since each program has a different pool of eligible applicants and allowable costs, different NOFOs are necessary. Corresponding reporting requirements will be available for grantees of the Grants to Organizations program, grantees of the Grants to Local Arts Agencies for Subgranting programs, and for subawardees of the Locals Arts Agencies subgranting program.

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 sector 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 Rescue Plan. Therefore, special attention has been given to minimizing the burden on applicants throughout the development of these NOFOs and reporting requirements.

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 timelines necessary to receive, review, and commit Rescue Plan funds in Calendar Year 2021 to help support jobs. These programs have been developed, in response to the Rescue Plan, to expedite the distribution of funds at this critical time. Applicants are limited to a single application to support specific general operating expenses or subgranting programs. 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 Rescue Plan. If the requested information was not collected, panelists would not have timely or accurate information on which to base their evaluations. The NEA would be unable to ensure the equitable, fair, and accountable use of federal funds under the Rescue Plan.

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 planning to issue NOFOs for two Rescue Plan programs: 1) Grants to Organizations; and 2) Grants to Local Arts Agencies to support subgranting programs in their respective communities. The collection of information for these NOFOs will include a response time of at least 30 days to ensure equitable and wide access to these funding programs. Final reports have been developed for grantees of the programs mentioned above, as well as for subawardees of the Local Arts Agency subgranting program.

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 NEA 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 NOFOs and reporting requirements developed in response to the Rescue Plan. However, NEA staff members regularly consult informally with individuals in their fields, including on issues relevant to the Rescue Plan and the current economic and health crisis. In addition, these application requirements are streamlined versions of application materials (approved under OMB 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 NOFOs and reporting requirements that panelists, members of the National Council on the Arts, service organizations, applicants and grantees, 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 NEA 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 NEA 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 type of recipient. 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)
Grants to Organizations AND Grants to Local Arts Agencies for Subgranting	8,500	7	59,500
TOTALS	8,500	7	59,500

Time estimates are the same for both Rescue Plan NOFOs (Grants to Organizations and to Local Arts Agencies for Subgranting Programs). The application guidelines burden is estimated at 59,500 hours. This burden is calculated by multiplying the estimated number of applications for each program x the estimated average hourly response burden of 7 hours x 1 response per year. NOTE: The time estimate listed in the NOFOs is 8 hours: this includes 1 hour to complete the SF-424 short organization form (as estimated by Grants.gov) plus 7 hours to complete all of the other application requirements specified in the NOFOs.

ESTIMATED BURDEN (IN HOURS) FOR REPORTING

Type of Recipient	Est. # of Grant Reports	Average Time per Report	Est. Reporting Burden for Grant Reports (Hours)
Grants to Organizations	1,100	5	5,500
Grants to Local Arts Agencies for Subgranting	100	7.5	750
Local Arts Agency Subawardees	1,500	4.5	6,750
TOTALS	2,700		13,000

The reporting requirements burden is estimated at 13,000 hours. This burden is calculated by multiplying the estimated number of grants for each program x the estimated hourly response burden for that type x 1 response per year.

The total annual burden (application guidelines burden and reporting requirements burden) is estimated at **72,500 hours**.

COST TO RESPONDENTS/APPLICATIONS

Type of Recipient	Est. # of Apps	Average # of Hours per Application	Total Hours	Average Hourly Wage	Total
Grants to Organizations AND Grants to Local Arts Agencies for Subgranting Programs	8,500	3.5 (Prof Staff)	29,750	\$33	\$981,750
		3.5 (Spt Staff)	29,750	\$16	\$476,000
TOTALS	8,500		59,500	\$24.5	\$1,457,750

COST TO RESPONDENTS/REPORTS

Type of Recipient	Est. # of Grant Reports	Average # of Hours per Grant Reports	Total Hours	Average Hourly Wage	Total
Grants to Organizations	1,100	5	5,500	\$24.50	\$134,750
Grants to Local Arts Agencies for Subgranting	100	7.5	750	\$24.50	18,375
Local Arts Agency Subawardees	1,500	4.5	6,750	\$24.50	165,375
TOTALS	2,700		13,000	24.5	\$318,500

TOTAL COST TO RESPONDENTS = \$1,776,250

The total estimated burden to applicants and grantees combined is \$1,776,250. 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. This division of labor is estimated at approximately 50% for professional staff and 50% for support staff. The average hourly wage of \$24.50 was computed factoring in professional support staff wages proportionate to the amount of time each typically spends preparing applications and reports. Salaries for personnel at nonprofit organizations and local arts agencies were estimated based on 1) salaries provided in the NEA'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 for NEA Application/Report Review

Type of Review	Est. #	Average # of Hours per Application or Report	Total Hours	Average Hourly Wage	Total
Applications	8,500	6	51,000	\$65.00	\$3,315,000
Reports	2,700	2	5,400	\$65.00	\$351,000
TOTAL					\$3,666,000

TOTAL COST TO FEDERAL GOVERNMENT = \$3,666,000

In the chart above, the estimated number of hours for staff review of applications and reports 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 6 hours each, with this time split as follows: Program Director at 1 hour; Grants Management Specialist at 4 hours; and Support Staff at 1 hour. The review of reports is projected to average 2 hours each, with this time split as follows: Program Director at 20 minutes; Grants Management Specialist at 80 minutes; and Support Staff at 20 minutes. We averaged the pay of a GS-15/Step 5 Program Director, a GS-12/Step 5 Grants Management Specialist, and a GS-9/Step 1 Support Staff person (using the Office of Personnel Management Salary Tables for the D.C. area) to come up with an average hourly rate of \$50. To this, we added 31% fringe benefits for a total average hourly wage 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 Rescue Plan. 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 (including each form) and reporting requirements.

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.