NATIONAL ENDOWMENT FOR THE ARTS
Agency Specific Report to Congress Under P.L. 106-107
May 2002 – May 2003

I. Participation in the Government-wide Streamlining and Grants.gov Efforts

The National Endowment for the Arts (NEA) has continued it's active participation on the interagency work groups, subgroups, and specially formed teams, assisting with the government-wide streamlining and Grants.gov efforts. More than ten staff members participate on the Pre-Award, Post-Award, and Grants.gov work groups and sub group spin-offs, from an agency with approximately 150 people. That is **7%** of our agency staff.

Our Director of Grants & Contracts, Nicki Jacobs, represents the agency on the **Pre-Award work group**. Currently this group is working on a proposed Title 2CFR in conjunction with OMB, and National Policy Requirements. Ms. Jacobs was one of just four Federal Agency members on the **Announcement template and FedBizOps (now Grants.gov FIND) data elements and policy development sub group**. Ms. Jacobs has worked hard with the others over the past two years on these efforts. As a member of this sub group she is also working on the **proposed consolidated assurances proposal** in conjunction with Grants.gov APPLY.

Ms. Jacobs was also a member of the **specially formed team that analyzed public comments, recommended resolutions and clarifications, and suggested policy guidance on the use of the DUNS number as a universal identifier** for entities applying for grants and cooperative agreements. She continues to represent the agency on the full **Post-Award team**. Most recently she provided comments and guidance regarding the possible adoption of the proposed Federal Financial Report form, a consolidation of two current OMB-financial forms. Two additional staff members, Ned Read (Office of the Deputy Chairman for Management & Budget) and Cliff Whitham (Data Quality Management) are participating on the **Post-Award – Performance reporting subgroup**.

Jan Joyce, our Senior Grants Specialist, previously served on the **Cost Principles sub-group**, and is currently serving on the **Administrative Requirements subgroup**, addressing uniformity in Terms & Conditions, among other matters.

Finally, but not least, we have a team of people representing the Agency on the **Grants.gov work group**. Our Guidelines Officer, Jillian Miller, leads a team of seven. She worked closely with Rebecca Spitzgo on the **pilot of Grants.gov FIND**, and provides guidance to other NEA staff responsible for implementing the Agency's participation. Ms. Miller also leads the NEA's participation in the **pilot of Grants.gov APPLY**, working closely with Diana King and associated Grants.gov consultants. We are pleased to have been selected as one of 15 Federal Agencies to participate in the APPLY pilot. Another member of our team, Catherine Vass (program coordinator), participated in the **Test of the Edges Focus Group** held in May 2003.

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II. Internal Efforts to Create an Environment Conducive to Grants Streamlining and Simplification

A. General Approach

The Agency, in particular senior management, fully supports our efforts to assist the federal grants streamlining process. The staff people who serve on the numerous work groups and teams cross the agency's programmatic, administrative, policy and IT areas. Collectively and individually, the staff members' supervisors (all senior management) have designated and supported our representatives to the effort.

In addition, the NEA began a Business Process Review (BPR) in July 2002 that will conclude in September of 2003. While far-reaching in its scope, one concentration is internal streamlining. Two of the ten areas of being addressed in this effort relate directly to the application and grants processes. These two areas have been assigned working groups that are staffed with personnel from across the agency who also participate on the PL 106-107 work groups. We expect that the resulting work of the BPR groups will be complementary to the external streamlining work of the agency.

As a small Agency, the NEA is fortunate that its streamlining and Grants.gov representatives work closely and keep each other apprized of the teams' efforts. As such, internal emails and reports updating senior management and other key staff are provided regularly as work group products progress. Senior management, including our deputies, general counsel, Inspector General, guidelines (funding opportunities), among others, is always offered the opportunity to comment on draft products, proposed policies, and Federal Register notices. In addition, meetings have been held to review ongoing activities in these areas.

The proposals in the grants streamlining area are quite similar to our current activities. For example, we were already following most of the announcement template format. Our broad representation of agency staff on the Grants.gov work group ensures that our agency is conversant in the Grants.gov efforts and their application to agency activity.

In conjunction with the recently published Federal Register Notice implementing the policy to require a DUNS number from applicants for Federal Financial Assistance opportunities, the Agency has created a team that includes Program, Grants, Communications, and Guideline policy staff, to implement an outreach program to our constituents. This will include utilizing our website, outreach workshops, and working our partner service organizations, such (State Arts Agencies, Regional arts organizations, discipline service organizations such at Theater Communications Group and the American Symphony Orchestra League) to further the reach.

III. Preparing for the Recent and Coming Changes Affecting the Pre-Award Process

 A.   Electronic Synopsis

The NEA has participated in this effort since its inception, including actively working on data elements, proposal changes to the pilot, and offering policy guidance. We're pleased to say we began announcing our opportunities in May, five months before the requirement for Agencies to participate in Grants.gov FIND. Currently 100% of our funding opportunities are being synopsized on this site. No changes have been necessary to accommodate these requirements (we use the web-based system), which now is part of our established business practices.

 B. Announcement Template

We have been actively involved with the development and implementation of Government-wide Announcement template. As the template evolved, we carefully planned how it would impact our guidelines and announcement formats. Our agency had already streamlined these documents, starting as early as 1998. At that time a concerted effort was made to make our announcements, forms, and reporting requirements consistent across funding programs. All guidelines for grant opportunities are developed and issued from a central office, the office of Guidelines and Panel Operations. During its development the senior management, program and grants staff was kept apprised through email updates, briefings, and review of all <u>Federal Register</u> notices associated with the template. We were pleased that in the final outcome of the announcement template, we were already 95% in compliance with the format and required content.

As all of our funding opportunities for FY 04 awards have already been published, we are currently in development for FY 05 awards (application deadlines in FY 04). This will be our first opportunity to use the announcement template. Any unforeseen funding opportunities that arise in FY 04 for FY 04 awards will also use the format. Our opportunities have been published on our website for years; are available through a Grants.gov FIND link, and can be printed out in Word or PDF. We don't expect any policy changes will be necessary. We plan to use it for our mandatory program as well as our discretionary funding programs.

C. The Grants.gov Portal and Electronic Applications

As previously mentioned, the NEA employs a team effort to work with Grants.gov, encompassing IT, programmatic, grants, guidelines, communications, and policy staff.

Ms. Miller, our Guidelines Officer, leads the NEA's participation in Grants.gov. Due to her diligence, we were selected as one of 15 Federal Agencies to participate in the APPLY pilot. Ms. Miller prepared the NEA's material necessary to participate in Version 2, which begins in mid-July, 2003. This included identification of a pilot program, the core and non-core data elements and their schema, and proposed real-life applicant testers. Another member of our team, Catherine Vass (programmatic), participated in the Test of the Edges Focus Group held in May 2003.

We continue to review non-core data elements. To that end, OMB OFFM staff member Sandy Swab suggested that the NEA lead a group of agencies that provide grants for cultural and arts programs, and whose largest clientele percentage is small non-profits, in exploring some common, cross-agency data elements. We will work with the Grants.gov staff and contractors, as well as seek guidance from the team working on cross-agency research data elements, to help us with this process.

Our IT team members have been obtaining as much information as is available to begin determining the changes that must be made to ensure our ability to download and accept XML, PDF, and other required information. A system interface must be created. We anticipate having to design policy and procedures for implementing a new way of doing business. Information will be provided for all affected staff, with follow up meetings to gather input, discuss related plans, and establish implementation timelines. Ultimately, senior management must approve recommendations for resource allocation, and process and policy changes.

IV. Other

In FY 03 the Agency implemented an E-APPLY system for our State Arts Agency (SAA) and Regional Arts Organization (RAO) partners. By statute, the NEA is required to provide 40% of its grantmaking funds to these 64 organizations, subject to our approving their annual plans. These are considered mandatory grants, which is not the current focus of Grants.gov. Because these are the only eligible applicants, the Agency worked in partnership with Carnegie Mellon University's Heinz School of Management to implement an E-APPLY system that was already in use by many SAAs and RAOs. Our constituents have been extremely pleased to be able to apply on-line; in addition, this year there is the added benefit of pulling up previously entered data to edit as necessary; reducing the amount of re-keying.

Also during FY 03 we began exploring accepting Final Reports electronically, with a pilot projected to be implemented in late 2003.