Attachment 21A

Explanatory Note for NEA Report
November 5, 2010

This memo accompanies the required American Recovery and Reinvestment Act (ARRA) Section 1609(c) report for the National Endowment for the Arts (NEA) for the period ending September 30, 2010.

Since the last report of ARRA NEPA status and progress was submitted, the NEA has completed the obligation of its ARRA appropriation. Withdrawn projects were due to the financial situations of the grantees and were not related to any NEPA actions.

The NEA established, in consultation with the Council on Environmental Quality (CEQ), a protocol for implementing the National Environmental Policy Act (NEPA) requirements that allows for the use of categorical exclusions (CEs). The ARRA grants covered by this CE focus on the preservation of jobs in the arts (salary support, full or partial, for one or more positions, including support for contracted positions) and represent projects and activities that have been determined not to have individual or cumulative significant effects on the human environment. Consequently, the appropriate and most expeditious level of NEPA analysis and review is a CE rather than preparation of an Environmental Assessment or Environmental Impact Statement. As such there are no examples of the benefits provided as a result of NEPA action; no conditions were placed on the use of funds and no changes were made to projects. The protocol applies to grants awarded with ARRA funds by the NEA. The NEA has completed its NEPA review for all of its ARRA projects and activities (there are no pending NEPA actions), and the use of the CEs was approved by the agency's then-Acting Chairman.

Because all NEA ARRA grants are for the same category of activity and comply with NEPA in the same way, they are being reported as a group. While the NEA's total ARRA appropriation is $50,000,000, $125,000 is allocated to salaries and expenses. Consequently, the total appropriation reported for grants is $49,875,000.

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