

2019 Annual Report

Nevada Advisory Council on Federal Assistance

December 27, 2019



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by the Nevada Advisory Council on Federal Assistance

to Governor Sisolak and the Legislative Commission

in compliance with NRS 358.030

To the Honorable Governor Sisolak and the Legislative Commission:

I am pleased to submit the 2019 annual report on behalf of the Nevada Advisory Council on Federal Assistance (NACFA). This report summarizes our activity over the past year, highlights key grants-related results of the 2019 Legislative session and outlines the council's 2020 priorities.

NACFA was created by the 2015 Nevada State Legislature for the purpose of advising and assisting state and local agencies with respect to obtaining and maximizing federal assistance. The council is supported by the Office of Grant Procurement, Coordination and Management in the Department of Administration (Grant Office).

Since 2015, the council has held meetings, heard presentations from state agencies, local governments and community partners, and conducted several surveys to discover methods and models to obtain and maximize federal grant funds in Nevada. In its time, the council has identified real and perceived barriers, and proposed recommendations and goals to address these barriers in order to increase grant revenue and services to Nevadans.

Prior to the 2017 Legislative session, the council recommended: establishing a statewide grant management system; streamlining the review and authorization process for grant-related work programs by the Interim Finance Committee; eliminating budgetary disincentives that discourage state agencies from pursuing federal grants; creating a pilot program to provide match funding and other needed support; and, removing limitations in the Grant Office statutory language. During that session, the funding for the grant management system was approved and the Grant Office's statutory language was revised. The remaining recommendations were carried forward to the 2019 Legislative session.

In its last annual report, the council made seven recommendations, including four recommendations made previously. New recommendations included expanding technical assistance, training, capacity building and coordination related to federal grants; standardizing Nevada's grant management policies and procedures; and ensuring that every Nevadan is counted in the 2020 Census. During the 2019 session: a \$1 million grant matching fund pilot

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program was created; funding for the procurement of the grant management system was maintained; and, Governor Sisolak established and funded Nevada's 2020 Complete Count Committee.

I am proud of the work the council has done since its inception and very grateful to the leadership of the Governor and the Legislature for their leadership in removing barriers and increasing investment to maximize Nevada's federal grant revenue. I am hopeful this partnership will continue to yield strong and robust services and additional grant revenue for Nevada.

Over the next year, the council will continue to engage grant stakeholders throughout the state to gather information for the priority areas included in the attached report, and others that the council may identify. I look forward to submitting the council's recommendations to you prior to the 81st Legislative Session so that we can continue this momentum to strengthen the federal grant landscape in Nevada.

Respectfully,

John Ritter

Chair, Nevada Advisory Council on Federal Assistance

With copy to:

Ms. Kathi Thomas-Gibson, Vice Chair, City of Las Vegas

Ms. Zanny Marsh, American Red Cross of Northern Nevada

Ms. JoVon Sotak, Secretary, Grant Office

Ms. Susan Brown, Governor's Finance Office

Assemblywoman Shea Backus, Nevada Assembly

Senator David Parks, Nevada Senate

Assemblywoman Ellen Spiegel, Nevada Assembly (former member)

Update of 2018 Recommendations

In its 2018 Annual Report, the Nevada Advisory Council on Federal Assistance (NACFA) provided seven recommendations. These recommendations are numbered below followed by background information to support each recommendation, 2019 Legislative actions and outcomes, and updates for each recommendation.

1. **Create and fund a pilot program that provides match funding for bona fide grant opportunities.** Federal grants often require applicants to share in the cost of delivering a program or project by contributing cash and/or in-kind contributions. So-called match funding is typically a small share of the total grant award, which means the state receives a high return on investment for its match. Nevada organizations, including nonprofit organizations and state, local, and tribal governments, unfortunately, are sometimes unable to meet these match requirements due to limited, tight budgets, which means they must pass up valuable federal grant opportunities. To avoid this, the council recommended a pilot program to provide state agencies, local governments, tribal governments and nonprofit organizations with incremental funding to be used to meet explicit grant match requirements and secure bona fide high-value federal grants.
 - a) Senate Bill 205 was sponsored by Senator Marilyn Dondero Loop and required the Grant Office to create a pilot program for matching funds. No action was taken on this bill. Assembly Bill 489, sponsored by the Assembly Committee on Government Affairs and spearheaded by Assemblywoman Daniele Monroe-Moreno, created the Grant Matching Fund pilot program and Senate Bill 528 appropriated \$1 million for the pilot program.
 - b) One temporary program staff was hired by the Grant Office in August 2019 to create and administer the pilot program, and a business plan for the program was created in October 2019. Stakeholders throughout the state provided input into the pilot program's requirements and processes.
 - c) In December 2019, the Interim Finance Committee (IFC) allocated the \$1 million appropriated by Senate Bill 528 so that the Grant Matching Fund pilot program can begin accepting applications in January 2020.
2. Streamline review and authorization process for grant approval and work programs by the executive branch and the Interim Finance Committee. Nevada law requires a state agency to have prior approval from the Interim Finance Committee to accept a federal grant unless certain conditions are met. The vast majority of federal grants do not meet

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any of these exemptions and must go through the standard process for approval, which adds a processing timeline of 105-125 days and prevents grant programs from starting timely. To solve for this, the council recommended an updated process to maintain checks and balances needed for management and oversight and adhere to the federal government's tight grant timelines and expectations.

- a) In 2018, the council formed a special subcommittee and held a meeting with grant stakeholders to develop recommendations to streamline the existing process or to synchronize the state's approval process with the federal grant award process. Often state agencies report a resistance to apply for grant funds due to the long timeframe required to bring a Notice of Grant Award into the state's financial management system. For example, many agencies stated they will not apply for grants with twelve-month activity periods because it is difficult to meet required benchmarks if they cannot work for one-third of the activity period awaiting approval to begin the grant.
 - b) Senate Bill 206 was sponsored by Senator Marilyn Dondero Loop and revised the work program process for grants to provide provision approval. Despite several amendments, the bill died in committee.
 - c) This was not resolved during the 80th Legislative session. The council will work with stakeholders to find potential solutions.
3. Eliminate budgetary disincentives – particularly, section ten of the Authorized Expenditures Act¹ – that discourage state agencies from pursuing federal grants. Section ten of the biennial Authorized Expenditures Act provides that an agency's general fund appropriation must be decreased to the extent that other sources, such as federal grants, is increased during a biennium. The council recommended that the Legislature modify the language of the Authorized Expenditures Act to exempt new federal grant dollars from mandated reduction.
- a) State agencies report this as a powerful disincentive to secure new grant funding because new grant funding may have no positive net benefit for an agency's

¹ In the original report to the Governor and Legislative Commission, this was incorrectly reported as section seven of the 2017 Authorized Expenditures Act. This change was approved by a vote of the council at the January 29, 2020 meeting

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budget, and actually costs the agency through expenditure of precious staff time. Additionally, when the grant funding runs out, the agency must submit a budget enhancement request to obtain just to get back to its pre-grant funding level.

- b) This was not resolved during the 80th Legislative session. The council will work with stakeholders to find potential solutions.
4. Continue to support the budget enhancement for the Statewide Grant Management System (GMS) initially approved in the 2017 legislative session. Since its start in 2015, the council has recognized that a statewide grant management system will allow users to identify grant opportunities, coordinate with each other to submit grants, and track and report grant funding and grant-funded programs. The 2017-18 biennial budget included approximately \$415,000 for implementation of such a system; unfortunately, implementation of this system was repeatedly delayed due to a procurement dispute. The council recommended that funding be appropriated to ensure the grant management system can be implemented during the 2019-20 biennium.
 - a) Funds to implement a statewide grant management system were approved as part of the Grant Office 2019-2021 budget.
 - b) In 2019, a new request for proposal (RFP) was issued but was then canceled in October 2019 to allow for revision of the requirements in the RFP to account for the award of vendor contracts for SMART 21—a system with which the GMS will interface—and input from the evaluation committee, the SMART 21 team, and other non-vendor experts. In November 2019, a revised request for proposal was issued, and a contract is expected to be awarded before the end of the fiscal year. In order to reduce grant barriers, the council recognizes that additional financial support of the GMS may be needed for interfacing and customization.
 5. **Expand technical assistance, training, capacity building, and coordination related to federal grants.** Effectively identifying, applying for, managing, and renewing federal grants is complicated, time-intensive work. Nevada made a good investment in 2011 when it created the Grant Office (and in 2017 when it expanded the office) to aid state agencies with grant coordination and support, and to provide them training and technical assistance. The council recommended that Nevada expand its investment in the Grant Office by adding more intrastate travel and training funds, as well as information technology enhancements so that it can provide more training and assistance services to state agencies, as well as local and tribal governments and nonprofit organizations.

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- a) As part of Assembly Bill 489, new language was added to NRS 232.224 to allow the Grant Office to provide training to state agencies; to provide training and technical assistance to local governments, tribal governments, and nonprofit organizations; and to provide administrative support to this council.
 - b) Even with new statutory language, the Grant Office continues to be understaffed and lacks resources to coordinate outreach, travel, and to use information technology to expand its reach to meet the need of Nevada's grant-seeking organizations.
- 6. Standardize Nevada's many policies and procedures related to federal grants.** According to Nevada's grants professionals, the web of federal and state grant policies and procedures is overly burdensome, bureaucratic, and often contradictory. The Grant Office has implemented some standardized policies for grant management, and the council recommends the same standardization in procedures of grant management.
- a) A bill was not required; no action taken during the 80th Legislative session.
 - b) The council will continue to work with Grant Office and grant stakeholders throughout Nevada to ensure that grant management procedures are standardized.
- 7. Ensure every Nevadan is counted in the 2020 census.** The decennial census's results will be used to guide the distribution of hundreds of billions of dollars of federal grant funds to states, counties, cities, and households. The council recommended that Nevada ensure that all its constituents are counted so that the state receives the benefits of federal grant funding.
- a) Governor Sisolak issued Executive Order 2019-06 to establish Nevada's Complete Count Committee and worked with the Legislature to fund the committee with a \$5 million budget.

2019-2020 Biennial Priorities

The NACFA held meetings in September 2019 and December 2019 and plans to meet quarterly throughout 2020. Each meeting will include agenda items for grant-related priorities and topics discussed will seek to secure further grant revenue for Nevadans and reduce barriers to obtaining and maximizing federal grants. Presentations related to each priority will be heard from state agencies, local agencies, tribal governments, nonprofits, and businesses in an effort to increase the breadth of information considered by the council as related to grants in Nevada. Similarly, the Grant Office will collect and synthesize correspondence submitted to the council.

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In September 2019, the council decided on the below biennial priorities. However, these priorities may change once the Governor appoints the business, local government, and nonprofit council representatives.

1. **Streamline review and authorization process for grant work plans by the Interim Finance Committee.** This priority has been carried over from the past two biennia because the authorization process to the review and approve federal grant-related work continues to be a reported barrier. The council will work with its council members in the Grant Office and Governor's Finance Office to investigate administrative solutions.
2. **Eliminate budgetary disincentives,** particularly sections of the Authorized Expenditures Act, that discourage state agencies from pursuing federal grants. This priority has been carried over from the past two biennia because the language continues to be a reported barrier to the procurement of federal grants. The council will work with its council members in the Grant Office and Governor's Finance Office to investigate administrative solutions.
3. **Continue to support the budget enhancement for the statewide grant management system.** The council has a vested interest in seeing a statewide grant management system implemented and will continue to support any necessary budget enhancements. If customization is needed for the system to capture statewide grant application data of all federal applicants, we anticipate we would recommend the approval of budget requests for such customizations.
4. **Expand technical assistance, training, capacity building, and coordination related to federal grants.** The council will revisit its recommendation for investment in the Grant Office to ensure that more training and assistance services can be provided to state agencies, local governments, tribal governments, and nonprofit organizations throughout Nevada. The council will also be looking at the equitable distribution of grant funds and Grant Office's services statewide; adequate staffing and resources in the Grant Office as well as grant units within other state departments; and allocating resources that can be used to significantly increase coordination and communication among state government, local government, tribal governments, and community organizations.
5. **Standardize Nevada's many policies and procedures related to federal grants.** The council will continue to work with the Grant Office, the Governor's Finance Office, and stakeholders throughout the state to determine which policies and procedures are the most burdensome and move toward standardization.

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6. **Increase statewide grant reporting.** In an effort to obtain streamlined data and to gain a full-picture of grant strengths and weaknesses throughout the state, the council will explore the possibility of legislation that would specifically empower the Grant Office to require that any entity applying for a federal grant in Nevada is required to submit at least high-level information through the grant management system.
7. **Investigate solutions for increased grant accountability.** Nevada grant stakeholders surveyed in 2018 raised grant accountability as an opportunity area for the council to create state-level policy changes related to grants in Nevada. Improved accountability would reduce Nevada's risk of losing federal dollars and create more transparency.

In conclusion, Nevada has made considerable progress, including several key policy changes and budget investments, that increase the likelihood of obtaining and maximizing federal funds; however, there still exists important barriers to be addressed if the state is to fully obtain and maximize federal revenue. The NACFA looks forward to continuing the discussion and working toward recommended solutions in 2020.