

2020 Annual Report

Nevada Advisory Council on Federal Assistance

December 17, 2020



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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:

Since 2010, Nevada has invested resources into bringing more federal revenue to the state. The Great Recession instigated the need to examine if, and how, federal grant funding could play a role in assisting agencies with recovery and introducing supplemental activities. Nevada has been fortunate since bringing in many important grants that have directly assisted communities. These grants have provided preschool seats, opioid treatment, and pandemic emergency relief among many other things.

Since its creation in 2015, the Nevada Advisory Council on Federal Assistance (NACFA) has engaged in discussions with state agencies, local government, tribal government, and nonprofit organizations across the state to uncover, understand, and solve barriers to obtaining more federal funding. In discussions the council has had throughout the years, it has been revealed that different organizations have different needs (e.g., pre-award resources, like staff to write grant applications, may be needed for one entity, whereas post-award resources, like fiscal administrative staff, may be needed for another) and there is much more to grant administration than the writing of an application (meeting project deliverables, understanding allowable costs, grant closeout, etc.).

The NACFA has been fortunate in that it has had the support of executive and legislative leadership and has been able to leverage its meetings and conversations into meaningful legislation and administrative fixes to address these issues. With the help and support of the Governor's Office and the Legislature, last session, the NACFA was able to: create and fund a pilot program that provides match funding for bona fide grant opportunities (the Grant Matching Fund pilot program); continue to support budget enhancement for the statewide grant management system (GMS) initially approved in the 2017 legislative session; expand technical assistance, training, capacity building, and coordination related to federal grants; and help ensure every Nevadan is counted in the 2020 census.

These programs, though not yet operating at maximum efficiencies, have been successful and have gained immense interest from stakeholders. The Grant Matching Fund pilot program received thirty-one applications in three months.

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Due to the COVID-19 pandemic and the fall-out resulting from it, Nevada now unfortunately finds itself in another place of economic hardship, and some of the wins from the council last session were lost (the funding for the GMS and Grant Matching Fund pilot program were reverted back to the State General Fund). The need to examine how to obtain and maximize federal funding now may be of even more importance than it was when the state was emerging from the Great Recession. The state does not find itself in an enviable position during the 2021 legislative session as it is facing steep budget shortfalls. However, the NACFA is more determined than ever that its work is relevant and that its conversations and solutions need to continue to push forward as the economic benefits to the state can be tangible. We look forward to partnering with executive and legislative leadership to create solutions.

This report summarizes the council's activities during 2020 and will lay out its priorities for 2021 and beyond.

In closing, it is my honor and has been my pleasure to serve as chairman since 2015. I am proud of the work the council has done, the partnerships gained, the executive and legislative support it has obtained, and I am more dedicated than ever to providing solutions to bring in more grant funding to the state of 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, Nevada Volunteers

Ms. JoVon Sotak, Secretary, Grant Office

Ms. Susan Brown, Governor's Finance Office

Former Assemblywoman Shea Backus, Nevada Assembly

Former Senator David Parks, Nevada Senate

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2019-2020 Biennial Priorities Updates

Per NRS 358.040, the NACFA is required to advise and assist state and local agencies with respect to obtaining and maximizing federal assistance. Its powers include developing legislative and executive recommendations and addressing methods and models for identifying, procuring, utilizing, and maintaining federal assistance, including, without limitation:

1. Streamlining process, regulatory, structural, and other barriers to the acquisition of federal assistance that may exist at each level of federal, state, or local government.
2. Developing and expanding opportunities for obtaining matching funds for federal assistance.
3. Ensuring sufficient personnel and technical expertise in state and local governments and nonprofit organizations.
4. Developing and expanding opportunities to work with nonprofit organizations to achieve common goals.
5. Standards for balancing the costs to a state or local agency of maximizing eligibility for federal assistance relative to the ability of the agency to utilize effectively such federal assistance.

To that end, the NACFA decided on seven priorities to pursue in 2020 to make a series of legislative recommendations for the 2021-2023 biennium. The council held regular meetings in September 2019, December 2019, and March 2020 with plans to meet quarterly. Each meeting was planned to include agenda items for grant-related priorities and topics discussed that sought to secure further grant revenue for Nevadans and to reduce barriers to obtaining and maximizing federal grants.

Presentations were meant to 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 anticipated to collect and synthesize correspondence submitted to the council. Because the COVID-19 pandemic created a shift in priorities to deal with the emergency, the council held only three regular meetings during 2020 which didn't allow adequate time to discuss and propose remedies for the priorities listed below, resulting in these priorities being carried over into 2021. These issues have been consistently identified as barriers throughout the council's existence, and solutions to these issues will need to be addressed.

The recommendations approved by the council in September 2019, along with an update of activity related to the topic, if applicable, are summarized below.

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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.
 - The Grant Office worked with the Governor's Finance Office to document and socialize recommendations to assist agencies in planning for expedient work program approval from the Interim Finance Committee. The Council received updates regarding this document up until the March 2020 meeting, when the COVID-19 pandemic hit and shifted the Governor's Finance Office and Grant Office's priorities. The council recommends that the work to investigate administrative solutions continue over the next biennium.
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 shall work with its council members in the Grant Office and Governor's Finance Office to investigate administrative solutions.
 - The Grant Office and Governor's Finance Office began discussions for administrative solutions, including educating state agencies on ensuring grant activities are supplemented and not supplanted. However, this work was stalled due to the COVID-19 pandemic and the council recommends that the work to investigate administrative solutions shall continue over the next biennium.
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.
 - Between 2017 and 2019, the Grant Office went through three separate RFP processes to contract with a vendor for the enterprise grant management system. None of the three RFP processes resulted in an executed contract and, during the third RFP, the Grant Office did not receive any bids that met state requirements. Feedback throughout the process revealed that vendors just could not provide an enterprise system with full functionality for the allotted budget.

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Despite these unfortunate setbacks, the need for implementing a system to serve grant seekers and recipients throughout Nevada was still recognized and, in February 2020, the Grant Office initiated both a technology needs assessment and a request for information solicitation to gather information for the budgeting process and a future RFP. However, due to the unanticipated impact of the COVID-19 public health crisis and its impact to the state budget, the funding for this project was reverted to the State General Fund.

The council recommends that the grant management system be funded in full during the next biennium as benefits to the state are many and the system could have greatly benefited the state during the COVID-19 health crisis. The grant management system would be expected to: increase access to federal grant dollars for state, county, and local governments, and non-profits; increase efficiency for organizations in applying for and managing grants; and allow the state to collect and analyze grant data.

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 nonprofit organizations.
 - The council heard presentations during its January meeting from the state of Illinois regarding the benefits of its centralized grant office (e.g., fewer audit findings, money saved, standardized reporting of subrecipient organizations, etc.) resulting from legislation that addressed these issues. The NACFA formed a subcommittee comprised of legislators, Grant Office staff, community leaders and nonprofit organizations across the state to examine the Illinois model and to make a series of recommendations for the 2021-2023 biennium. These subcommittee meetings were cancelled after one meeting, as the COVID-19 pandemic stretched on and priorities were still focused on the emergency. The council will carry over this priority into the next biennium.
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

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stakeholders throughout the state to determine which policies and procedures are the most burdensome and move toward standardization.

- The January presentation and subcommittee addressed in item four above were intended to also address this issue. The council will carry over this priority into the next biennium.
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 (see item three above).
- This priority will be carried over into the next biennium for addressing.
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.
- This item will be carried over into the next biennium for addressing.

COVID-19 Pandemic and Disruption to Council Activities

As seen throughout the update of the 2019-2020 biennial priorities, COVID-19 has understandably interrupted both the meeting schedule and members' and stakeholders' ability to examine grant barriers. While the council's work was interrupted, the COVID-19 pandemic brought economic and health devastation throughout the state, making federal funding more important than it has ever been. As state agencies, local governments, tribal governments, and nonprofit organizations throughout Nevada face some of the bleakest budgets seen for decades, and maximizing federal funding will be of tantamount importance. Federal funds have the potential to maintain critical services, keep organizations staffed, and provide emergency relief to communities. As necessary federal funding is provided to the state during the crisis, increased reporting measures and potential complications (e.g., numerous memoranda from the U.S. Presidential Office of Management and Budget and competing federal agency guidance) have also been introduced.

The council was limited to three meetings and a subcommittee meeting in 2020 while a flurry of new grant barriers (e.g., budget cuts, hiring freezes, shifting priorities to health and

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economic recovery, etc.) were being formed. The council will need to look at these newly created barriers during the next year in addition to the unfinished business of its 2019-2020 priorities and the losses resulting from COVID-19. The Grant Office reverted both the operational and uncommitted match funds for the Grant Matching Fund pilot program and the funding for the grant management system—two key initiatives of the council since 2015.

In positive news, there are many in the community who recognize the importance of federal funding, including the Southern Nevada Forum, who in November 2020, made grants one of its main priorities¹ for the upcoming legislative session.

2021-2022 Recommendations

All recommendations from the 2019-2020 priorities will be carried forward, in addition to examining newly created grant barriers resulting from the COVID-19 pandemic.

- Streamline review and authorization process for grant-related work programs by the Interim Finance Committee.
- Eliminate budgetary disincentives.
- Continue to support the budget enhancement for the statewide grant management system.
- Expand technical assistance, training, capacity building, and coordination related to federal grants.
- Standardize Nevada’s many policies and procedures related to federal grants.
- Increase statewide grant reporting.
- Investigate solutions for increased grant accountability.

¹ The Southern Nevada Forum’s “good governance” goal is to equip Nevada Grants Office with resources and authority it needs to succeed by increasing personnel and establishing a Southern Nevada field office and increasing in-state travel budget and IT to reach rural counties; to fully fund and finally implement statewide grants management system; and centralize grant-monitoring and coordination activities to promote efficient use of scarce resources. Accessed <https://southernnevadaforum.org/>, December 7, 2020.

Conclusion

Nevada has been on the path to better understanding the variety and magnitude of barriers that restrict maximizing federal funds, and it has also been successful in making key policy and budgetary changes. The NACFA was on track to leverage these successes and delve even deeper to assist organizations throughout the state. However, like many bodies, its work was thrown-off course due to safety precautions during the COVID-19 pandemic and the resulting economic blowback.

With the extreme budgetary shortfall the state is facing, the work of the council is more important than ever before if the state is to fully obtain and maximize federal revenue. The NACFA looks forward to continuing these discussions and working toward recommended solutions in 2021.