Nevada Advisory Council on Federal Assistance

December 31, 2024



2024 Annual Report

To the Honorable Governor Lombardo and Members of the 83rd Nevada Legislature:

I am pleased to submit the 2024 annual report on behalf of the Nevada Advisory Council on Federal Assistance (NACFA). Since its creation in 2015, the NACFA has engaged in discussions with key stakeholder groups across the state to uncover, understand, and solve barriers to obtaining more federal funding. The 2021 legislative session saw the culmination of much of this council's work with the passage of Assembly Bill 445 (A.B. 445).

This report highlights the Council's progress in implementing previous recommendations, details key legislative accomplishments, and establishes the councils priorities as we look forward into the next biennium.

Thanks to the support of the Governor and Legislative Leadership, NACFA is fully reestablished and well-positioned to continue advancing strategies to maximize federal funding opportunities for Nevada. We look forward to building on this momentum and providing further updates on our efforts in next year's Annual Report.

Respectfully,

Zach Conine, State Treasurer

Chair, Nevada Advisory Council on Federal Assistance

Update of 2023 Recommendations

In its 2023 Annual Report, due to the reestablishment of the NACFA, the priorities identified in the 2020 report were reiterated. In 2020, the NACFA identified seven priorities to guide a series of legislative recommendations for the 2021 session. The recommendations that were approved by the council, along with status updates are

1. Continue to support budget enhancements for a statewide grant management system.

Previous Progress:

- The Council recommended the implementation and funding of a statewide grant management system to streamline grant application, tracking and reporting.
- Funding was approved in the 2019 2021 biennium.
- Under the prior leadership of the Office of Federal Assistance (OFA), a contract to procure a Centralized Grants Management System (CGMS) was presented in 2023. However, due to inaccuracies and insufficient coordination with the current administration, the Board of Examiners (BOE) did not approve the contract.

Current Next Steps:

- The current leadership of the Office of Federal Assistance (OFA) is actively collaborating with the Office of Project Management (OPM) on the development of the CORE.NV Grants Module, which will serve as the statewide centralized grant management system.
- Following implementation, the Office of Federal Assistance (OFA) will continue to collaborate with the Office of Project Management (OPM) to ensure that all state agencies receive the necessary training and technical support for the successful deployment and utilization of the CORE.NV Grants Management System (GMS).

2. Increase statewide grant reporting.

Previous Progress:

 The Office is the entity designated by the State to review and coordinate proposed federal financial assistance and direct federal development in accordance with Executive Order 12372, 47 Fed. Reg. 30,959 (July 14, 1982). Additionally, pursuant to NRS 223.480, state agencies are required to notify the Office of any application for or receipt of grant funding, as well as any unexpended portions thereof.

To facilitate compliance and improve efficiency, the Office has streamlined and simplified the reporting process through the implementation of the Federal Award Notification Form (FANF). This form is hosted on the Office's website, ensuring it is easily accessible to all users.

Current Next Steps:

• The Office of Federal Assistance (OFA) is collaborating with the Office of Project Management (OPM) on the development of the CORE.NV Grants Module. This partnership is focused on

ensuring the seamless integration of grant reporting capabilities into the statewide Grant Management System (GMS).

3. Investigate solutions for increased grant accountability.

Previous Progress:

 The Office is the entity designated by the State to review and coordinate proposed federal financial assistance and direct federal development in accordance with Executive Order 12372, 47 Fed. Reg. 30,959 (July 14, 1982). Additionally, pursuant to NRS 223.480, state agencies are required to notify the Office of any application for or receipt of grant funding, as well as any unexpended portions thereof.

To facilitate compliance and improve efficiency, the Office has streamlined and simplified the reporting process through the implementation of the Federal Award Notification Form (FANF). This form is hosted on the Office's website, ensuring it is easily accessible to all users.

Current Next Steps:

• The Office of Federal Assistance (OFA) will conduct site monitoring for all state agencies, with priority given to those identified in the State's Single Audit Report. This initiative should be undertaken in collaboration with the Governor's Finance Office – Division of Internal Audits. By conducting these reviews, the team can identify overarching trends and develop solutions that may not be apparent to agency staff due to their more focused responsibilities.

4. Expand technical assistance, training, capacity building, and coordination related to federal grants.

Previous Progress:

• The Office of Federal Assistance provided online training webinars on Pre-Award and Post-Award Grant Management to its stakeholders. They also provided technical assistance on a first-come, first-serve basis.

Current Next Steps:

 Under the new leadership of the Office of Federal Assistance (OFA), our primary focus has shifted toward ensuring that state employees receive the necessary training and support to effectively manage federal grant funding. Recognizing the critical role of state grants and fiscal staff, we hosted a Statewide Mandatory Training course to equip them with knowledge of the updated Uniform Guidance changes, which became effective on October 1, 2024. To further support our state employees, we are developing a quarterly statewide training calendar to address their evolving needs and ensure consistent professional development.

In addition to training initiatives, the OFA remains committed to providing the necessary technical assistance and support to state agencies and staff as a top priority. Our efforts aim to strengthen grant management practices, enhance compliance, and streamline processes across all levels of state government.

Moreover, the OFA has collaborated with local governments to reinstate the Silver State Grants Conference. This centralized conference will serve as a platform for learning new regulations, sharing best practices, and promoting a unified approach to managing federal funding across Nevada's state agencies. Through these efforts, the OFA seeks to build a more effective and cohesive grant management framework for the state.

5. Standardize Nevada's many policies and procedures related to federal grants.

Previous Progress:

• The Office of Federal Assistance (OFA) successfully developed and implemented a comprehensive manual of policies and procedures related to federal assistance. This manual has been made publicly available on the Office's website to ensure accessibility and transparency.

Current Next Steps:

• Under the current leadership, we are working on providing updates and publishing them, so all state agencies have access to the manual of policy and procedures.

We also successfully drafted the State Plan on Maximizing Federal Assistance, and it is sitting with the current administration for approval so it can be published. The update of the manual of policies and procedures and the State Plan will provide our state agencies with standardized guidance on federal grant management throughout the state.

6. Streamline review and authorization process for grant work plans by the Interim Finance Committee.

Previous Progress:

• AB361 provided a new provisional approval process for grant acceptance and work program approvals for executive branch agencies.

Current Next Steps:

- Collaborate with the Governor's Finance Office (GFO) to address any precautionary concerns regarding the utilization of this provision. Additionally, focus on increasing awareness and encouraging the use of this process for Interim Finance Committee (IFC) approvals among executive branch agencies.
- 7. Eliminate budgetary disincentives, particularly sections of the Authorized Expenditures Act, that discourage state agencies from pursuing federal grants.

Previous Progress:

• SB504 allowed agencies to demonstrate the necessity of maintaining their State General Fund allocation, even when they receive additional funding from other sources.

Current Next Steps:

• Working with GFO and LCB to gain clarity on their interpretation of this bill and determine a streamlined implementation. Once approved, disseminate to state agencies as an option.

2024-2025 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.

To that end, in 2024 the NACFA decided on six priorities to guide a series of legislative recommendations for the 2025 session. The council has noted that these issues have been consistently identified as barriers throughout the council's existence. The recommendations approved by the council are:

- 1. The Office of Federal Assistance (OFA) collaborates with state agencies to assess their grant processes, identifying both successful practices and areas that require improvement.
- 2. The OFA will research and engage with states that have comparable grant management systems to identify best practices that can be adapted and implemented in Nevada.
- 3. The OFA will develop and implement standardized processes for federal grant funding across all Nevada state agencies to ensure consistency, efficiency, and compliance.
- 4. The OFA will conduct site monitoring for all state agencies, with priority given to those identified in the State's Single Audit Report. This effort will be carried out in collaboration with the Governor's Finance Office Division of Internal Audits. Through this process, the OFA will identify broader trends and solutions that may not be apparent to agency staff focused on specific areas.
- 5. The OFA will adopt and enforce a more centralized approach to grants administration statewide. This centralized system will standardize grant processes across all agencies and provide consistent support throughout the entire grant lifecycle, including pre-award and post-award phases. The OFA will also work closely with the Office of Project Management (OPM) to ensure the development and integration of the new CORE.NV Grant Management System (GMS) aligns with this goal.
- 6. The OFA will collaborate with the Legislative Counsel Bureau (LCB) Fiscal Division to determine the most effective strategies to prevent the supplanting of federal grant funding with State General Fund dollars.

In conclusion, Nevada has made substantial progress through the implementation of key policy changes and strategic budgetary investments, thereby increasing the state's capacity to secure and optimize federal funding opportunities. However, significant barriers persist that must be

addressed to fully realize the potential of federal revenue. The Nevada Advisory Council on Federal Assistance remains dedicated to advancing these efforts and collaborating with stakeholders to develop and implement recommended solutions in 2025.