

## **The Nevada Grant Matching Program**

The current requirement that unexpended funds in Nevada's Grant Matching Account revert at the end of each odd-numbered fiscal year significantly reduces the program's flexibility and effectiveness. The nature of federal grant timelines means that there is often a considerable delay between when a match request is submitted and when a federal notice of grant award (NOGA) is received, a delay that can span many months or cross fiscal years.

Under current statute, if the GMP allocates match funding via a Letter of Commitment (LOC) in an odd-numbered fiscal year and the federal grant award is not made before June 30, the committed funds are at risk of reversion, even though a project may still be actively under federal review. In these cases, the program must either:

1. Reallocate those funds from the next fiscal year's pool, reducing availability for new applicants, or
2. Cancel the match altogether, potentially resulting in a missed federal funding opportunity for the applicant and the state.

This "use it or lose it" structure forces inefficient planning and artificial scarcity, particularly when GMP demand grows or when larger matches are involved (e.g., \$1M LOCs).

**Converting the GMP into a revolving fund** would enable funds that are committed via a formal LOC to remain encumbered and available until one of two events occurs:

1. The applicant receives a federal award, at which point the match is released and expended; or
2. The applicant is notified that they did not receive the federal award, at which point the funds are returned to the pool for reallocation.

This approach provides fiscal continuity and planning confidence, both for the applicant and the program. It also mirrors best practices in other states:

- New Mexico's Matching Fund (HB177, 2024) establishes a non-reverting fund allowing funds to remain available until they are either expended or reallocated. This ensures that matching support is not lost simply due to timing delays beyond the applicant's control.
- Massachusetts Federal Matching Fund built from interest-bearing sources and structured to carry over commitments across fiscal years, enabling long-term planning and responsiveness to large-scale federal opportunities (see visual in response to question 3).

This model would provide the program with integrity and strategic flexibility, ensuring that once Nevada commits to supporting a project, that commitment is preserved until it can be fulfilled or responsibly reallocated.

Established as a pilot in 2019 through Assembly Bill 489, Nevada's Grant Matching Program (GMP) was designed to assist state agencies, local governments, tribal governments, and nonprofit organizations in meeting the matching requirements for federal grants. Senate Bill 528 allocated \$1 million to fund the pilot program, which commenced in January 2020. Despite a temporary

suspension in April 2020 due to the COVID-19 pandemic, the program was extended and refined by Assembly Bill 445 in 2021, focusing solely on federal grant matches with continued annual funding of approximately \$1 million.

Since its inception, the GMP has helped bring millions of dollars into Nevada. Per the 2023-2024 biennial report, the program has:

- Committed over \$1.7 million in match funding across 8 awards,
- Supported over \$6.5 million in federal grant requests, and
- Achieved an average 13:1 return on investment (for every \$1 state match, Nevada secured \$12.85 in federal funds).

As grant opportunities grow in both size and complexity, and as stakeholders become more aware of the program, the demand for match support has increased significantly. In SFY25 alone, the program issued approximately \$1.1 million match commitment and awarded to a single awardee, demonstrating that the current funding cap is no longer sufficient to meet the scale of opportunity.

### **State Agency Observations**

As part of a broader effort to evaluate and enhance the Nevada Grant Matching Program, OFA distributed a short survey to grant professionals who regularly attend the OFA Monthly State Grant Management Meeting. The purpose of the survey was to gather insights that could help assess the current program, determine optimal funding levels, and improve agency access. The survey asked about participants' awareness of GMP, whether their agency had applied for funding, perceived barriers, and the likelihood of future use. The survey was designed to take fewer than five minutes, aiming to provide a quick but meaningful snapshot of agency perspectives.

A total of nine individuals responded to the survey, representing a cross-section of state agencies, including education, emergency management, veteran's services, administrative support, and finance. Respondents had a wide range of experience, from under one year to over 15 years in public service and grant administration.

Several notable trends emerged from the responses.

- (1) **Limited Awareness:** multiple respondents (e.g., *Respondent 1* from Administrative Services and *Respondent 9* from State Purchasing) indicated they had never heard of GMP or were unsure whether their agency had applied. This signals a need for greater outreach and onboarding support, particularly for agencies that are new to grants or whose staff roles don't directly involve federal funding.
- (2) **Funding and Structural Constraints:** Respondents from grant-heavy agencies such as Emergency Management and Education cited funding amount limitations and misalignment with grant cycles as significant deterrents to using GMP. For example, *Respondent 6* noted that competing for match funds annually is not sustainable, especially with multi-year or recurring grants.
- (3) **Process and Internal Capacity:** Some agencies referenced internal process hurdles or lack of match funding infrastructure, making it harder to prepare timely applications. *Respondent*

3 (Finance Office) and *Respondent 5* (Veteran Services) shared that their grants did not require match, or that the agency lacked sufficient general funds to pursue matched opportunities.

- (4) **Varying Roles, Varying Relevance:** While several respondents were seasoned grant writers or analysts, others (like *Respondent 1* or *Respondent 9*) noted their job duties do not involve direct grant work, indicating the GMP's relevance may not be clearly understood or universally applicable.

This early feedback from respondents, though limited in scope, offers a valuable window into the real-world challenges faced by state agencies. As OFA continues improve the GMP, continued data collection and stakeholder engagement will be important in ensuring the program is responsive, equitable, and effective.

### Next Steps for Program Development

- Regular updates on GMP fund availability and usage targeted at state agencies
- Targeted and clear guidance on eligibility and timelines
- Dedicated technical assistance for new or indirect grant professionals
- Exploring flexible matching options that align with varied agency needs

### Recommended Funding Level: \$10M-\$25M Annually

Based on benchmarking against peer states and observed demand trends, the optimal funding level for Nevada's GMP is between \$10 million and \$25 million per year. This would allow Nevada to:

- Fund a greater number of applications
- Support larger, infrastructure-scale projects, and
- Compete more aggressively for federal dollars in line with other states

OFA evaluated 2024 investments from states with established GMPs:

State	Population (M)	2024 Match Pool	Per Capita Investment
Massachusetts	6.9	\$750M	\$109
Kentucky	4.5	\$200M	\$44
Kansas	2.9	\$200M	\$69
New Mexico	2.1	\$75M	\$36
Nevada	3.2	\$1M	\$0.31

Even if Nevada aimed for just 10% of Kentucky or Kansas' per capita levels, we would be targeting a pool of \$10M to \$25M annually.

### State Grant Match Programs Overview

State	Funding Source	Earmarked Project Types	Administrative Agency	Legislative Framework
Massachusetts	Commonwealth Federal Matching and Debt Reduction Fund; funded by interest earnings on the Stabilization Fund balance, and may be used for the purpose of pursuing federal funds until Dec 1, 2026	Not specifically earmarked; broadly used for match under IJJA and similar federal programs	Executive Office for Administration and Finance	M.G.L. Chapter 29, Section 2E; Bill S.2548 (2022) authorized \$750M for federal matching, particularly under the Infrastructure Investment and Jobs Act. <a href="#">Massachusetts Federal Grant Matching Funds   Mass.gov</a>
Kentucky	State bond funds through capital budget allocations through the State Flood Control Matching Grant Program	Flood control projects (under State Flood Control Matching Grant Program); others via capital bill	Department of Local Government (DLG), Office of Federal Grants	KRS 56.870 governs use of revenue bonds for state capital projects; funding for match is appropriated via the biennial capital budget. <a href="#">KY Budget Process</a>  The program uses state bond funds as grants to help local communities meet cost-share match requirements associated w/projects funded by federal sponsors <a href="#">State Flood Control Matching Grant Program - Ky Association of Mitigation Managers</a>
Kansas	State Appropriations –the Omnibus Budget, one time investment of \$215 million, Build Kansas Fund, SB25, 2023	Infrastructure-related grants (broadly)	Kansas Infrastructure Hub	Build Kansas Fund was created through state legislative appropriation, though Senate Bill 25 on 2023 Referenced in <a href="#">kshub.gov</a> , funds available until expended, applications accepted on a rolling basis over the next 4 years, until all funds have been committed, or the fund expires June 30, 2027 extension://cefhlgghdlbobdpihfdadoji fnpghbj/https://www.kshub.gov/ho

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New Mexico	New Mexico Match Fund, State appropriations non-reverting fund in the state treasury, the fund consists of distributions, appropriations, gifts, grants and donations (HB177) --\$100M was appropriated from the general fund to the NM match fund for expenditure in FY25, there is no reversion at the end of the FY	Infrastructure Capital Improvement Plan (ICIP) projects requiring federal match	NM Department of Finance and Administration (DFA),	Funding tied to state appropriations; HB177, 2024 <a href="https://nmdfa.state.nm.us">nmdfa.state.nm.us</a> Bill: <a href="#">HB0177</a>
Nevada	Unclaimed Property Fund from the State Treasurer's Office	Federal grant match only (after AB445); available to public and nonprofit entities	Governor's Office of Federal Assistance (OFA)	Created under AB489 (2019 pilot), funded via SB528 (2019), and formalized/extended by AB445 (2021) to focus on federal grants. <a href="https://ofa.nv.gov">ofa.nv.gov</a>

### Right Time to Invest

- (1) Demonstrated ROI: The program exceeds its statutory goal of 2:1 with a 13:1 federal return
- (2) Rising Application Volume: GMP processed 8 approved applications across SFY23-SFY25 (YTD), with larger award sizes and more state agency engagement.
- (3) Process Improvements: The Office of Federal Assistance has implemented a streamlined application system, faster review timelines, and boarder eligibility coverage, making the program ready to scale effectively.