

# SB473

## FULLY UTILIZING NEVADA'S AWARDED FEDERAL GRANT FUNDS

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The Federal Competitiveness Project: Ensuring Nevada  
Receives its Fair Share of Federal Grant Funds

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# Increasing Nevada's Federal grants funding – A Priority Issue

- For nearly 40 years Nevada has ranked at or near the bottom of all 50 states and even several territories in the pro rata amount of Federal grant funds it receives
- As compared to fellow intermountain west states, Nevada is shortchanged an estimated \$529 million annually (excluding Medicaid)
  - Grant funds could be used to expand programs and services that grow our economy and improve quality of life
  - General Funds, municipal funds, and private philanthropy are forced to supplement these missing grant funds, but often cannot make up the gap
  - Nevadans continue to pay their Federal taxes despite not receiving their pro rata share of funds back
- Progress is underway, but we need to accelerate and expand it
  - The 2011 Legislature unanimously created the Nevada Grants Office
  - The Governor's Office has been working diligently to identify, prioritize and seize Federal grant opportunities

# Increasing Nevada's Federal Grants Funding – 2015 Legislative Agenda

- **Goal:** Enhance Nevada's ability to significantly and strategically procure and use Federal grant funding
- **SB214** will bring leaders from across the State and multiple sectors together to form the Nevada Advisory Council on Federal Assistance for the purposes of assisting and advising the State on obtaining and maximizing Federal grant funds
  - The Council will provide access to partnerships and invaluable insight from cross-sector, statewide leaders
- **SB213** will increase tracking and reporting on Federal funds applied for, received, and used by agencies and departments of the State
  - Tracking and reporting will provide State agencies and departments, and the Legislature with the information they need to effectively use and expand our resources
- **SB473** will establish a process for unused Federal grant dollars to be identified and fully utilized within the State, if possible, before returning them to the Federal Government
  - Redistributing unused grant awards will immediately provide Nevada a way to keep and put to work more grant dollars

# Increasing Nevada's Federal Grants Funding – Effective Government and High ROI

- Investing in the State's ability to identify, secure, maintain and effectively utilize Federal grants is good policy and has a high return on investment
  - Increasing Federal grant funds will significantly expand Nevada's revenue without adding tax burden
  - Increasing Federal grant funds is a powerful strategy to return Nevadans' Federal tax dollars to the State
  - Nevada Grants Office's excellent SFY15 success demonstrates high ROI:
    - Applied for \$80M and awarded \$57M for SFY15 as of Dec. 31, 2014 with just three FTEs
    - Nevada named 19<sup>th</sup> in nation for rate of increasing its receipt of Federal grant dollars

## Increasing Nevada's Federal Grants Funding – Effective Government and High ROI (cont.)

- Federal grants have a significant effect on Nevada's capacity to deliver programs/services with optimal quality and quantity. For example, according to Nevada Grants Office, the State has many grant successes in SFY14-15 including:
  - \$44M to Dept. of Education for Pre-K
  - \$20M to DETR for vocational and rehabilitation services
  - \$10M to Dept. of Education to improve/support youth mental health
  - \$7.6M to Dept. of Health & Human Services for Cancer Prevention and Control
  - \$7M to Dept. of Health & Human Services for HIV Prevention
  - \$650K to Nevada National Guard to help veterans secure jobs

# Increasing Nevada's Federal Grants Funding – Federal Grant Funding Overview

- The Federal Government annually distributes hundreds of billions of dollars through domestic assistance grants; grants totaled \$514.6 billion in FY11
- Federal grant distribution is complex:
  - Grant funds are distributed by 26 Federal agencies through 1,714 congressionally authorized programs (225 formula-based and 1,489 program-based)
  - State governments serve as the clearinghouse for the vast majority of grant dollars
  - At the Federal level, authorizing legislation generally sets distribution methodology
- Federal grant programs serve many purposes, including:
  - Creating economic efficiency by placing decision making nearest to implementation, requiring local financial participation, and reducing administrative duplication
  - Aggregating and distributing resources at a scale only the Federal government can
  - Stabilizing the national economy by adding dollars to weak economies and reducing dollars in strong economies
  - Influencing state and local government activities by tying performance to funds

# Increasing Nevada's Federal Grants Funding – Federal Grant Funding in Nevada

- Long history of under utilization; lots of studies on point, including (paraphrased):
  - 1979, SCR1, *Federal Funding in Local Programs* finds no agency exists to track the sources and uses of Federal dollars in Nevada
  - 2003, ACR1, *Governor's Task Force on Tax Policy in Nevada* finds the State's revenue mix is not sufficient and increasing the share of Federal funding will partially mitigate the revenue challenge
  - 2010, *Nevada Sage Commission Report* finds “the lackadaisical attitude... throughout Nevada toward identifying and relentlessly pursuing grant opportunities [is] puzzling” and that “a strategic, managed focus” on Federal grant funding should be “a full-out, statewide effort”
- Challenges holding Nevada back:
  1. Procedural and structural incompatibilities, primarily at the State-level, that slow and/or inhibit grant procurement and administration
  2. Real and perceived lack of match funding available for grants
  3. Low capacity in State and local governments, and nonprofits to procure and administer grant funds

# Increasing Nevada's Federal Grants Funding – SB473 Fully Utilizing Awarded Federal Grant Funds

## Goals:

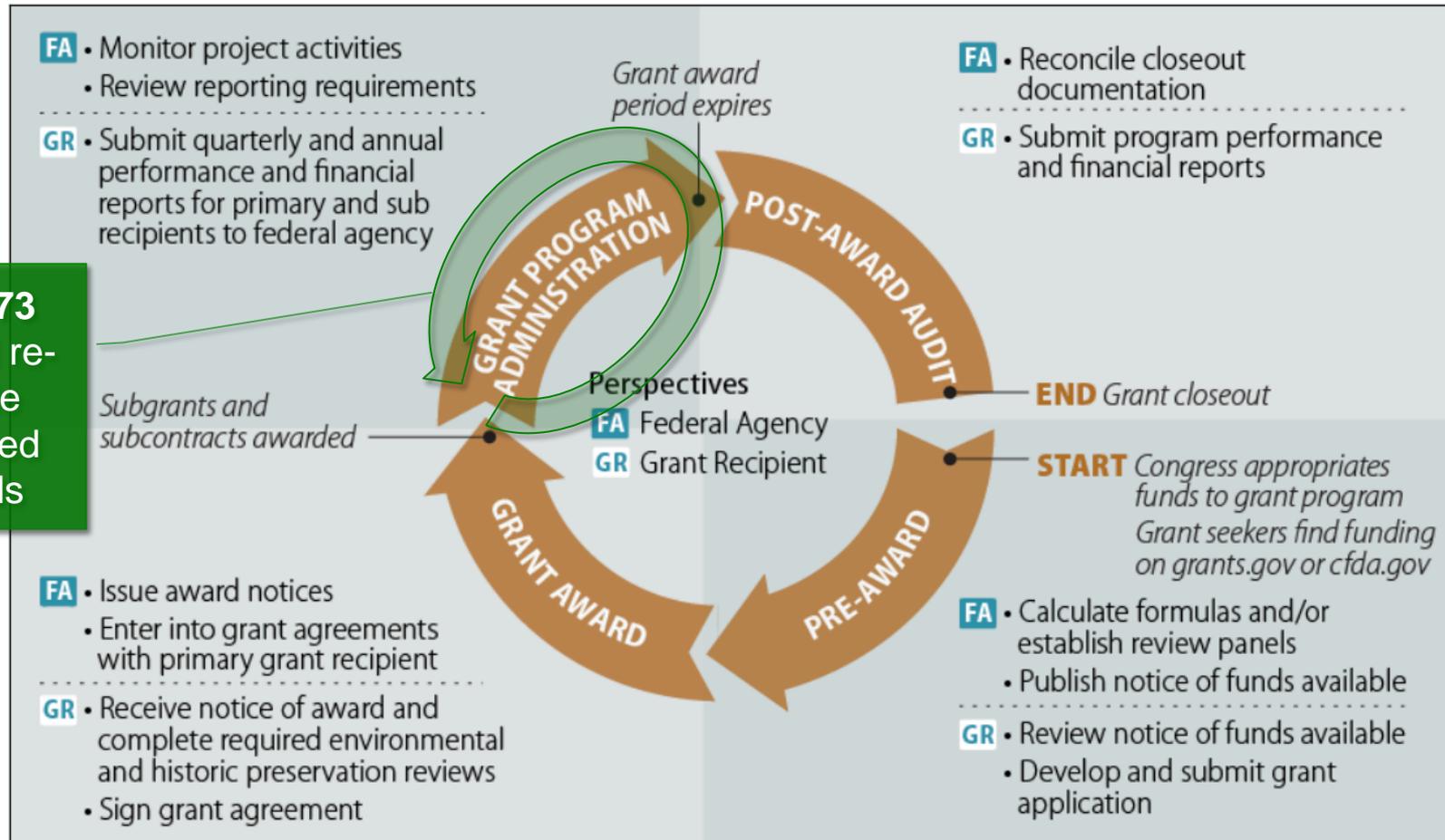
- **Reduce the amount/rate of awarded Federal grant funds that go unutilized by the State**, and in turn are returned to the Federal government
- Empower Nevada Grants Office to identify and coordinate opportunities for the State to fully utilize awarded Federal grant funds
- Build on existing statutes; keep with legislative intent and Grants Office's core competencies

## Reasoning:

- Nevada regularly returns awarded Federal grants funds for lack of use
- Nevada already receives a disproportionately low per capita amount of Federal grant funds; State cannot afford to return dollars
- Nevada Grants Office is well positioned to assist in and improve outcomes

# Increasing Nevada's Federal Grants Funding – SB473 Fully Utilizing Awarded Federal Grant Funds

**Figure 4. Life Cycle of a Federal Grant**



## Increasing Nevada's Federal Grants Funding – SB473 Fully Utilizing Awarded Federal Grant Funds

NRS 232.222-232.227 provides for Nevada Grants Office, and its roles in improving and increasing the State's efforts in identifying, procuring and managing Federal grant funds.

SB473 adds two important functions to existing statute:

1. Sec. 1. 1. (h) – Grants Management Office to serve as clearinghouse for unused grant funds by compiling, updating and disseminating a list of available unexpended grant funds.
2. Sec. 2. 3. – State agencies shall notify Grants Management Office of funds available that will be unexpended within grant period.

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### Questions?

Contact:

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