

**June 1, 2015**

**Testimony before the Assembly Committee on Ways and Means**

*Prepared Statement of the Kenny Guinn Center for Policy Priorities*

**SB213 creates a Federal assistance database**

- SB213 creates a state-wide database with certain information relating to Federal assistance received by Nevada State agencies. The bill requires the Department of Administration to prepare an annual report based on this information and to submit the report to the Governor and the Legislature. Additionally, SB213 authorizes the Fiscal Analysis Division of the Legislative Counsel Bureau to prepare a report on the advisability of increasing or decreasing the use of any Federal assistance program identified in the Department of Administration's report.
  - Executive branch agencies and departments currently maintain the information that would be collected in the database.
- The Federal Government annually distributes billions of dollars through domestic assistance grants; in FY2011, Federal grants totaled \$514.6 billion.
- In FY 2014, Nevada received \$3.6 billion in Federal grants (Nevada Department of Administration Office of Grant Procurement, Coordination, and Management, *2105 Biennium Report*).

**Nevada is not currently maximizing available Federal assistance**

- Currently, Nevada ranks last in the nation in federal grant expenditures per capita (U.S. Department of Commerce).
- As of 2013, Federal grant funding represented 12 percent of Nevada's overall federal funding, a decrease of 7 percent since 2010. In contrast, the majority of Nevada's federal funding (67 percent) consisted of direct payments to qualifying individuals for programs such as Social Security, Federal retirement and disability benefits, and Veterans' benefits. The remaining 21 percent of Nevada's Federal grant funding covered salaries and wages for Federal employees and procurement contracts (e.g., payments to the private sector for services, including defense spending).
- The Lincy Institute at the University of Nevada Las Vegas identified several barriers to obtaining Federal grant funding. Chief among these was structural incompatibility and lack of capacity.

**Database could help build capacity to obtain future Federal grants**

- Creation of a database with information on Federal grant funds received in Nevada could help build capacity and facilitate greater collaboration across Executive Branch departments and agencies.
- Investing in the database and the State's ability to identify, secure, maintain and effectively utilize Federal grants could support Nevada's efforts to secure Federal funds.
  - Increasing Federal grant funds could significantly expand Nevada's revenues.
  - Increasing Federal grant funds is an effective way to return Nevadans' Federal tax dollars back to the State.
- The Nevada Department of Administration's Office of Grant Procurement, Coordination, and Management (established in 2011) produces a report each biennium, which summarizes the Federal grants procured by Nevada agencies.



## Legislative Testimony

## Senate Bill 213: Database on Federal Grant Activity in Nevada

- Efforts to collect and centralize Federal grant information in Nevada have already demonstrated positive returns on investment.
- Over FY 2008-2013, Nevada was one of three states demonstrating the “largest growth in per capita federal grants.”

### **Fiscal impact is minimal with significant opportunity for return on investment**

- Original fiscal note was \$1.0 million for a statewide grants management system plus \$65,000 per fiscal year for database hardware maintenance and hosting.
- Based on the amended versions of SB213 and SB214, the combined fiscal note for the two bills was revised down to one new Program Officer in the Grants Office plus \$10,000 per year for travel and per diem costs. The fiscal cost of establishing and building this critical infrastructure is outweighed by the potentially high return on investment (in the form of greater numbers of Federal grants).

### **Recommendation**

- Approve SB213 to establish a state-wide database that contains information on Federal grant activity in Nevada.

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