

FEDERAL GRANTS PERFORMANCE IN NEVADA



March 2021

Guinn
CENTER

Federal Grants Performance in Nevada

I. Introduction

Nevada's historical underperformance in federal grants receipts has been a protracted source of concern but attracted broader and more pressing interest in the wake of the Great Recession's economic decimation. That recession was an inflection point for Nevada, illuminating the perils of dependence on economically volatile revenue sources to fund State operations, such as sales and gaming taxes. Efforts proceeded apace to devise sustainable solutions that would help cushion the State during downturns. Amongst others, these included economic diversification and development; the imposition of a new tax in 2015 – the commerce tax – which yielded nearly \$205 million for Nevada in State Fiscal Year (SFY) 2020; and the prioritization of federal grants, which supplement states' resources for health care, education, transportation, and more.

Not even the most comprehensive set of initiatives could have shielded Nevada fully from the scale and magnitude of the COVID-19 pandemic-induced recession. But Nevada's deep economic pain revealed that the revenue sustainability project is unfinished. Great strides have not yet translated into robust outcomes.

It is in this environment that federal grants have taken on a new urgency. In his 2021 "State of the State Address," Governor Steve Sisolak asserted that, "we need to recover the federal dollars that rightfully belong to Nevadans." The governor's objective is to increase Nevada's federal grant share by \$100 million over the next two years and by \$500 million annually by 2026. Assemblywoman Daniele Monroe-Moreno has announced "plans to introduce a bill at the 2021 Legislature to create the Nevada Governor's Office of Federal Resources, a cabinet-level position to coordinate the effort to secure federal dollars."

The Guinn Center previously evaluated federal grant competitiveness in a data essay published in 2018. In the intervening years, Nevada has committed resources to capacity building, and stakeholders have worked collaboratively to improve the State's performance. Given the prospect of legislation in the 81st (2021) Legislative Session and the governor's pledge to increase federal funding, the data merits an update and new evaluation.

In the pages that follow, this policy brief supplies background on the recent federal grant landscape in Nevada; and evaluates federal grant performance on multiple indicators, both historically and in comparative context. The evaluation section places a particular emphasis on states that, like Nevada, do not collect individual income taxes – Alaska, Florida, South Dakota, Texas, Washington, and Wyoming – to determine whether they are more likely to secure federal funds as offsets against revenue forgone to income taxes. Medicaid resurfaces as a theme throughout this policy brief, as well, and our team considers the impact of a hypothetical scenario whereby federal Medicaid dollars are excluded from Nevada's State budget and its federal grants receipts.

A summary of major findings is detailed below.

SUMMARY OF MAJOR FINDINGS

- Total federal grant money awarded to Nevada between federal Fiscal Year (FFY) 2008 and FFY 2020 has increased by 304.1 percent from \$1.8 billion to \$7.2 billion in inflation-adjusted terms. The increase in total federal grant money awarded to Nevada over time most likely can be attributed to overall growth in federal grants to states and local governments.
- Inflation-adjusted total dollar amount of federal grants per capita in Nevada increased from \$700 in FFY 2008 to \$2,296 in FFY 2020, which is a 227.9 percent increase.
- Despite the overall gains, Nevada continues to underperform in total dollar amount of federal grants per capita when compared to other states, with a ranking of 45th in the nation in FFY 2020. This ranking, however, reflects a pattern of systematic improvement since FFY 2015, which was the first full year of Medicaid expansion (Nevada ranked 50th in FFY 2014).
- There is no discernible pattern in rankings on total dollar amount of federal grants per capita amongst states that do not collect individual income taxes, though like Nevada, Florida and Texas fairly consistently rank in the bottom third of all states.
- Nevada ranked 42nd on formula grants per capita in FFY 2020. Formula grants are prescribed by law or administrative regulation; Nevada may be disadvantaged (relative to other states) by the formulas themselves.
- Nevada has sought to improve its performance on federal project grants, which are competitively awarded. In FFY 2020, project grants per capita in Nevada amounted to \$342, for a ranking of 43rd in the nation. However, between FFY 2016 and FFY 2020, Nevada began to close the gap between its per capita dollar amount and the U.S. average.
- In FFY 2020, the average dollar amount of project grants awarded amounted to \$845.7 million. Nevada ranked 6th in the nation on this indicator. While Nevada receives a comparatively low number of project grants, the dollar amount is proportionally quite high.
- Medicaid exerts an extraordinary influence on Nevada's budget and its federal grant receipts. In the hypothetical absence of Medicaid dollars, the Federal Fund (as a budget funding source) would decrease by more than half, from 33.7 percent to 15.6 percent. Theoretical exclusion of Medicaid would decrease the grant share of all federal funds awarded to Nevada from the 25-30 percent range to the 10-15 percent range. Assuming hypothetical exclusion from total dollar amount of federal grants per capita in FFY 2020, Nevada's ranking on this indicator would drop from 45th to 50th in the nation.



II. Background

The acuity of the recession that has resulted from the COVID-19 pandemic has cast the importance of federal grant dollars in sharp relief. In July 2020, Governor Sisolak called the Nevada Legislature into a special session to address a \$1.2 billion budget shortfall for SFY 2021. Balancing the budget, as required by the *Nevada Constitution*, necessitated spending cuts to core functions of government, including health care and education.

The federal government enacted multiple pieces of legislation to support states in managing the crisis. The Coronavirus Aid, Relief, and Economic Security Act (CARES) of 2020 accounted for the largest share of federal COVID-19 funds in Nevada (about 82 percent) as of October 2020. Under CARES, Nevada supported a wide range of relief activities, such as support to families in need of child care; extended home and community-based services to the elderly and people with disabilities; and both rental and mortgage assistance.

Even before the pandemic, however, neither State revenues nor State spending were keeping pace with Nevada's growing population. Real State General Fund appropriations per capita decreased by 10.5 percent between SFY 2007 – just prior to the Great Recession – and SFY 2018, when Nevada's economy was thriving. Under-resourcing of core essential services is particularly striking when one considers how poorly Nevada fares on key indicators.

- In 2018, *Education Week's* overall ranking of K-12 education systems placed Nevada 51st in the nation, based on chance for success, school finance, and K-12 achievement. Between 2007 and 2018, real K-12 expenditures per school-age child in Nevada decreased by 13.9 percent.
- The Commonwealth Fund's 2018 Scorecard on State Health System Performance indicates that Nevada ranked 39th overall in the nation but 51st on prevention and treatment, and its overall ranking fell to 49th as of 2020. Even with Medicaid expansion – which this policy brief discusses further below – real health care expenditures per capita in Nevada decreased by 21.9 percent between 2007 and 2018.
- According to the National Low Income Housing Coalition, Nevada had just 15 affordable and available rental homes for every 100 extremely low income renter households in 2018, the fewest in the nation. Between 2007 and 2018, real housing and community development expenditures per capita in Nevada decreased by 11.8 percent.

In the upcoming biennium, State General Fund unrestricted operating appropriations are projected to decrease by about two percent over the current biennium (roughly \$187.3 million), while the Governor's Recommended Budget includes an increase of \$845 million in federal funds, the primary driver of which is related to change and growth in Medicaid. The additional federal money means that the overall State budget for the upcoming biennium, inclusive of all funding sources, currently is projected to increase by roughly 6.8 percent over the current biennium.^a Grants make up

^a By contrast, the Governor's Recommended Budget for the current biennium, inclusive of all funding sources, represented an 11.9 percent increase over the Legislatively Approved Budget for the previous biennium.

approximately 99 percent of the Nevada's Federal Fund in the budget, which reinforces how critical these dollars are to supporting the operations of the State.

Federal grants are not distributed evenly across states. Certain grants are allocated to all states but are based on formulas that are prescribed by law or administrative regulation. This means that factors such as a state's population, income, poverty rate, et cetera, can determine the amount a given state receives. And, by extension, this suggests that a state's capacity to track data in an accurate and timely fashion is an important input for securing the appropriate amount.^b Other grants are awarded through a competitive application process. Successful awards can hinge on a state's capacity to write and administer such grants, along with its ability to match federal funding, which often is required for competitive awards.

Nevada has worked to improve its performance on formula grants and its capacity to secure competitive, or project, grants in recent years. Adoption of Medicaid expansion, which extended eligibility to low-income childless adults, became effective on January 1, 2014. Medicaid is a formula grant that provided health care coverage to nearly one-fifth of Nevadans in 2019 (18.6 percent). Since expansion, it has infused the State with billions of additional federal dollars, unlike states that have not expanded Medicaid and thus forgo a considerable amount of federal revenue.

The construction of a competitive grant apparatus remains in its nascence, though concrete actions have begun to build capacity in recent years. As Guinn Center Executive Director Nancy Brune observed in November 2020:

In 2015, the Legislature stood up the Nevada Advisory Council on Federal Assistance (NACFA) to advise and assist "state and local agencies with respect to obtaining and maximizing federal assistance that may be available from any agency or organization." In 2017, the Legislature funded the development and implementation of an enterprise grant management system and allocated \$200,000 annually over the biennium. The effort has been delayed (repeatedly) given the fact that "vendors just could not provide an enterprise system with full functionality for the allotted budget" and has now been "put on hold." In 2019, the Legislature piloted a matching fund grant program (Assembly Bill 489), and infused the fund with \$1 million (Senate Bill 528); this program allows applicants to meet the matching requirement included in many federal grants.

However, experience suggests that the acquisition of federal grants is more complicated than might appear and state policies, procedures, and administrative practices can affect the State's ability to secure and manage federal grants. By way of example, the Grant Match Fund (GMF) pilot program (enacted with the passage of Assembly Bill 489) exemplifies the state of competitive federal funds acquisition in Nevada. The GMF has made one matching award in the amount of \$45,129, which helped the North Las Vegas Fire Department secure a \$451,292 grant from the U.S. Department of Homeland Security.

There are two approved commitments that account for the \$925,049 remaining in the program, but they are in limbo. Neither applicant has received a funding award notice, and even if they do, it is

^b This is not an issue for grants that use Census data exclusively, but many grants allow, if not require, updated data after the first few years.

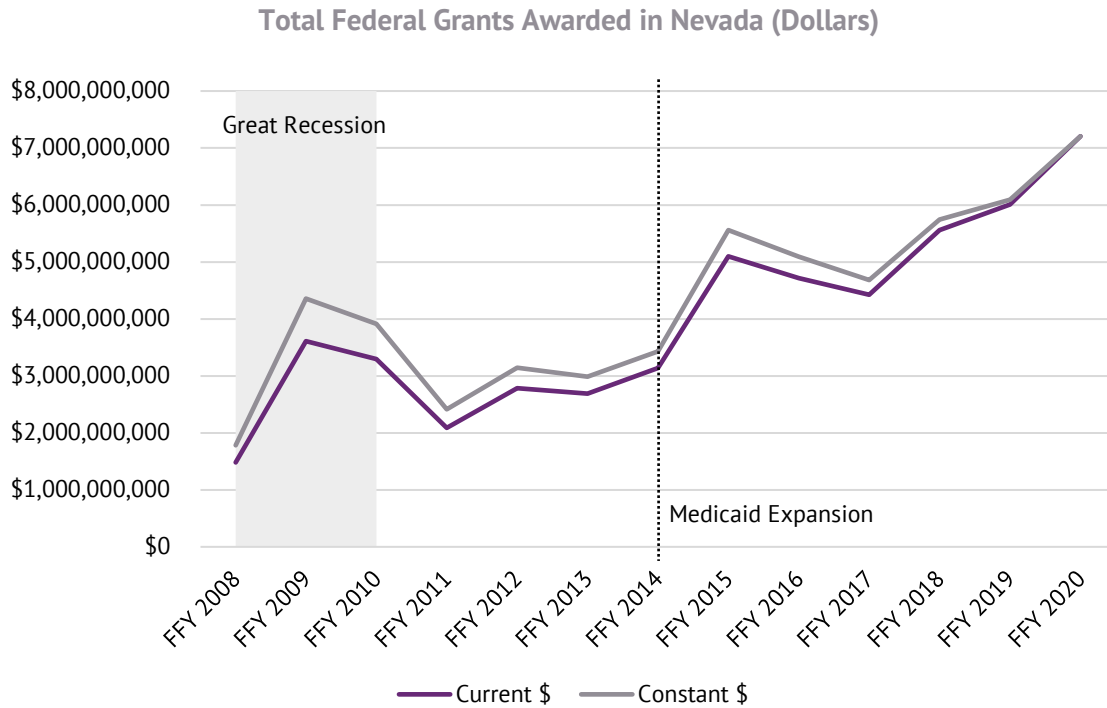
not clear that they can expend the funds prior to the close of SFY 2021, which is a programmatic requirement. Should that be the case, the matching money will revert to the State General Fund, and Nevada will forgo those federal dollars.

In advance of the 81st (2021) Legislative Session, NACFA released its set of priorities and recommendations for legislators. Developed collaboratively with the Nevada Grant Office, they address the perennial barriers Nevada faces in “obtaining and maximizing federal grants” and are excerpted here:

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



III. Analysis of Federal Grants Performance in Nevada

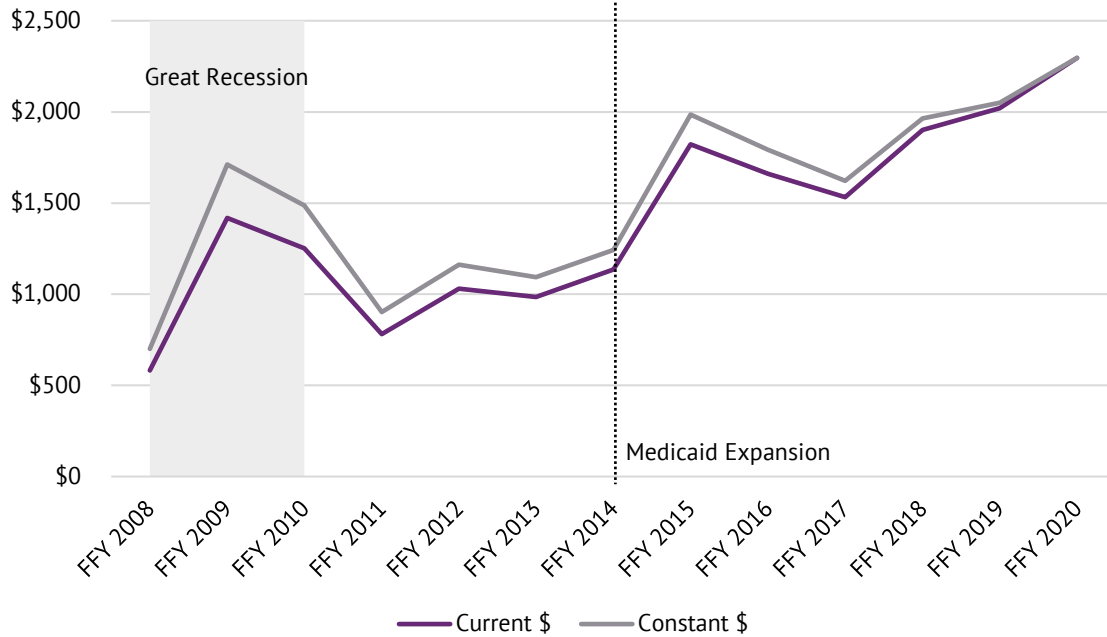


Source: Federal Grants: USAspending.gov | Inflation Adjustment: U.S. Department of Labor, Bureau of Labor Statistics, *CPI-All Urban Consumers (Current Series)*

The figure shows total federal grant money awarded to Nevada between federal Fiscal Year (FFY) 2008 and FFY 2020 in current dollars (not adjusted for inflation) and constant dollars (inflation-adjusted terms or real dollars). Nevada received its lowest federal grant amount of the period in FFY 2008, the first year of the Great Recession. Federal grants awarded to the State increased considerably in FFY 2009 with the addition of American Recovery and Reinvestment Act (ARRA) of 2009 funds. Federal grant receipts decreased slightly in FFY 2010 and more sharply in FFY 2011. The next spike, in FFY 2015, signifies the first full year that Nevada’s Medicaid expansion money was reflected in the federal grant award total. After dipping in each of the subsequent fiscal years, federal grant money has increased steadily. It reached the highest point of the period in FFY 2020, which represents a continuation of the current trajectory but also includes funding from the Coronavirus Aid, Relief, and Economic Security Act (CARES) of 2020. Total federal grant money in Nevada has increased by 304.1 percent between FFY 2008 (\$1.8 billion) and FFY 2020 (\$7.2 billion) in inflation-adjusted terms.

The increase in total federal grant money awarded to Nevada over time likely is a function of overall growth in federal grants to states and local governments. Nevada mirrors the pattern of federal outlays, which increased as a result of ARRA through FFY 2010 but decreased in subsequent years until Medicaid expansion, after which they began to increase again.

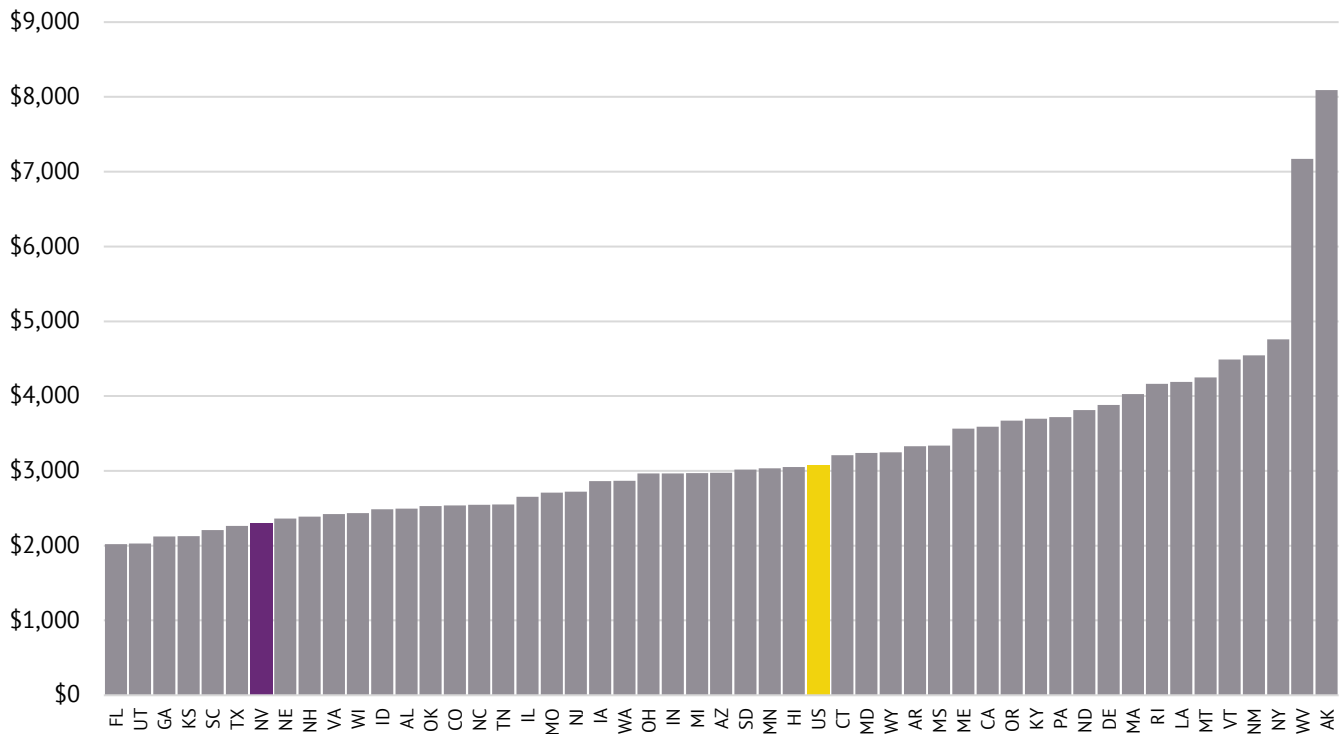
Total Federal Grants per Capita Awarded in Nevada (Dollars)



Source: Federal Grants: USAspending.gov | Inflation Adjustment: U.S. Department of Labor, Bureau of Labor Statistics, *CPI-All Urban Consumers (Current Series)* | Population: U.S. Census Bureau, *American Community Survey*

The dollar amount of total federal grants per capita awarded in Nevada exhibits a similar pattern as that of total federal grant dollars received (displayed on the previous page). As with total federal grant dollars awarded, FFY 2008 is the low-water mark, while the highest per capita amount was received in FFY 2020. The infusion of ARRA money sharply increased federal grant dollars awarded per capita. By FFY 2011, or the first year of recovery from the Great Recession, real federal grant dollars per capita in Nevada amounted to \$903, just slightly higher than the pre-Recession level of \$700. Partway through FFY 2014, Medicaid expansion went into effect, but it was not until the first full year of implementation that the impact became apparent: inflation-adjusted federal grants per capita in Nevada rose from \$1,243 in FFY 2014 to \$1,986 in FFY 2015, for a 59.8 percent increase. Following drop-offs in each FFY 2016 and FFY 2017, per capita dollar amounts increased between FFY 2018 and FFY 2020. As noted, CARES Act funds are reflected in the FFY 2020 data. Real federal grants per capita increased from the aforementioned \$700 in FFY 2008 to \$2,296 in FFY 2020, which is a 227.9 percent increase. In general, as population has grown in Nevada, inflation-adjusted federal grant award dollars have moved in a similar direction.

Total Federal Grants per Capita (Dollars), by State: FFY 2020



Source: Federal Grants: USAspending.gov | Population: U.S. Census Bureau, *American Community Survey*.
 Note: DC not displayed, but rankings (as referenced in the text) include DC.

While Nevada has enjoyed considerable increases in total amount of federal grant money awarded and total federal grant dollars per capita between FFY 2008 and FFY 2020, so too have other states. Nevada historically has underperformed in federal grants receipts relative to the other 49 states and the District of Columbia (DC), and that remained true in FFY 2020. Total federal grants per capita in Nevada amounted to \$2,296, for a ranking of 45th in the nation. It is 28.9 percent lower than the U.S. average of \$3,070 and 25.8 percent lower than the median state, Intermountain West neighbor Arizona, which ranked 26th with a total federal grants per capita amount of \$2,975. The Silver State outperforms just six others, including regional counterparts Texas and Utah. Nevada’s total dollar amount of federal grants per capita is 12.8 percent higher than bottom-ranked Florida’s amount of \$2,019 but is far closer to the bottom than to the median or the U.S. average.



Total Federal Grants per Capita: Nevada vs. Comparison States

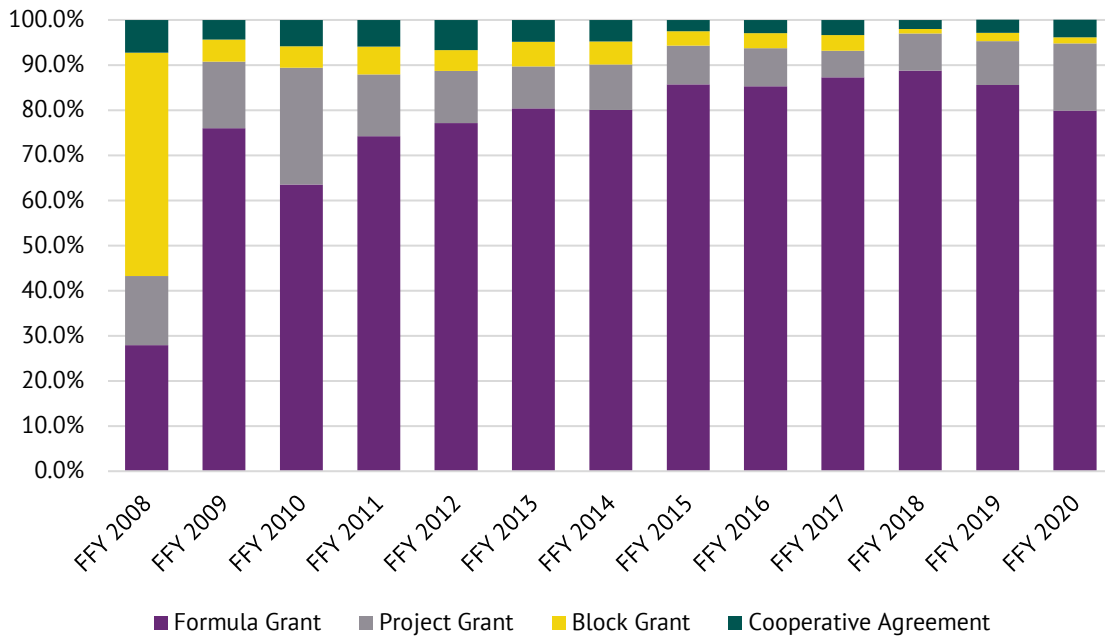
	ALASKA		FLORIDA		NEVADA		SOUTH DAKOTA		TEXAS		WASHINGTON		WYOMING	
	Amount (\$)	Rank	Amount (\$)	Rank	Amount (\$)	Rank	Amount (\$)	Rank	Amount (\$)	Rank	Amount (\$)	Rank	Amount (\$)	Rank
FFY 2008	2,436.04	2	492.36	48	582.11	38	1,143.78	7	447.01	50	663.88	32	1,491.49	3
FFY 2009	4,962.22	2	1,631.79	47	1,418.26	49	2,733.75	10	1,879.22	42	2,047.67	30	2,830.56	9
FFY 2010	4,733.62	2	1,381.86	48	1,252.33	50	2,607.78	12	1,766.11	33	1,938.89	29	2,157.19	17
FFY 2011	4,146.37	2	1,313.71	45	781.06	51	1,945.29	16	1,457.08	38	1,581.39	34	1,959.35	15
FFY 2012	4,250.53	2	1,077.00	48	1,030.04	49	1,974.30	17	1,420.15	36	1,648.07	30	2,157.54	9
FFY 2013	3,582.11	2	955.27	50	984.19	49	1,822.79	18	1,334.20	38	1,484.14	29	1,833.33	17
FFY 2014	4,337.55	2	1,242.32	48	1,136.59	50	2,077.52	19	1,463.67	44	1,967.26	25	2,053.83	21
FFY 2015	4,559.77	2	1,165.36	51	1,822.31	30	1,987.75	25	1,550.28	41	2,138.51	17	2,062.04	20
FFY 2016	4,611.12	2	1,299.51	49	1,660.33	41	2,000.29	27	1,657.37	42	2,063.84	25	2,504.68	12
FFY 2017	4,523.95	2	1,323.21	50	1,532.16	42	1,755.09	32	1,522.61	45	1,800.34	29	1,895.95	26
FFY 2018	6,573.43	2	1,658.45	48	1,901.91	44	2,305.57	29	2,006.91	42	2,249.46	31	2,581.92	22
FFY 2019	7,089.15	2	1,657.43	50	2,020.56	42	2,486.22	28	1,914.64	45	2,497.96	27	2,675.56	22
FFY 2020	8,092.23	2	2,019.39	51	2,296.05	45	3,015.95	25	2,263.59	46	2,868.84	30	3,248.18	20

Source: Federal Grants: USAspending.gov | Population: U.S. Census Bureau, *American Community Survey* | Medicaid Expansion: Kaiser Family Foundation, *Status of State Action on the Medicaid Expansion Decision*

With the exception of FFY 2015, Nevada’s total dollar amount of federal grants per capita has placed it in the bottom third of all states and DC for all years in the period. One possible explanation for Nevada’s improvement to 30th in FFY 2015 is that that was its first full year of Medicaid expansion. Not all states that adopted it implemented it immediately, while others have not adopted at all or have yet to implement it. Nevada may have been a beneficiary of Medicaid expansion prior to some other states, allowing it to improve its ranking. Nevada continues to rank in the 40s.

There is no discernible pattern in rankings amongst states that do not impose individual income taxes. Like Nevada, Florida and Texas fairly consistently rank in the bottom third of all states, though Nevada is at or near the very bottom in all years, while the latter two witnessed some improvement before dropping to the 40s from FFY 2014 through FFY 2020. Neither is a Medicaid expansion state. That is also true for South Dakota and Wyoming, though both have tended to perform comparatively well on total federal grant dollars per capita, albeit with some movement in their rankings. Washington is a Medicaid expansion state, and, as with Nevada, improved its ranking significantly in FFY 2015, before seeing a drop-off in subsequent years. Alaska implemented Medicaid expansion in the last month of FFY 2015, but, regardless, Alaska’s ranking of 2nd in the nation does not deviate over the period. It receives a considerably high dollar amount of federal grants per capita.

Total Federal Grants Awarded in Nevada (Dollars), by Assistance Type

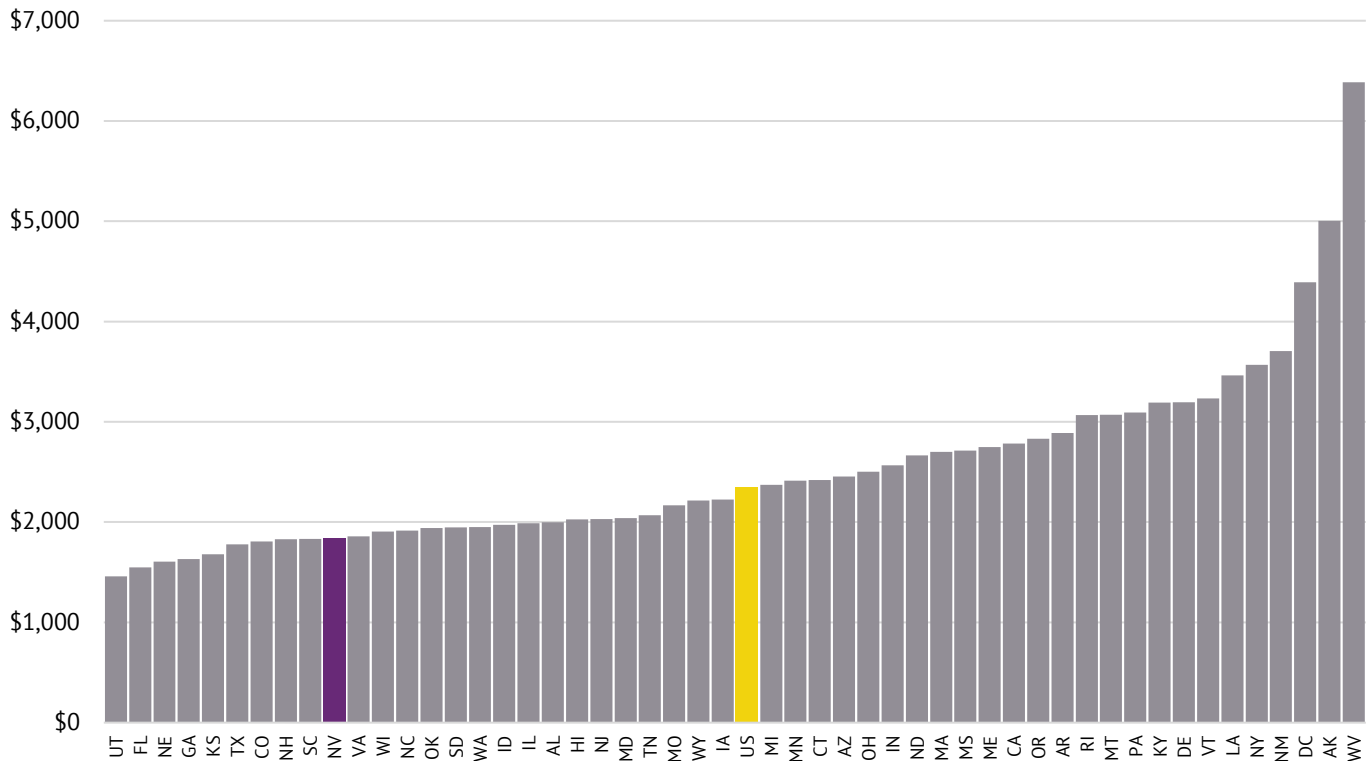


Source: Federal Grants: USAspending.gov | Population: U.S. Census Bureau, *American Community Survey*.

Note: Each stacked column segment is calculated as a percentage of the total. Medicaid is coded in the original data erroneously as a block grant for FFY 2008. Data is presented as provided in the source material.

Formula grant programs are funds allocated to all states based on formulas that are prescribed by law or administrative regulation. Factors such as a state’s population, income, poverty rate, et cetera, can determine the amount a given state receives. Among the biggest formula grant programs are: Medicaid, the State Children’s Health Insurance Program, Title I Local Education Grants, Head Start, the National School Lunch Program, and Title IV-E Foster Care. Formula grant amounts far outweigh amounts for other grant types. For example, in FFY 2020, Nevada received roughly \$5.8 billion in formula grants, or 79.9 percent of its total federal grant dollars. In the same year, project grants amounted to about \$1.1 billion, or 14.9 percent of the total. Increases in federal grant money for formula grants vis-à-vis all other types of assistance, beginning in FFY 2015, likely reflect Medicaid expansion, as federal funding for that program is categorized as a formula grant. The formula grant share peaked in FFY 2018 at 88.8 percent before dropping off in each FFY 2019 and FFY 2020. That project grants account for larger proportions of the total in those years seems to suggest that capacity-building efforts may have begun to help improve federal grant award competitiveness.

Federal Formula Grants per Capita (Dollars), by State: FFY 2020

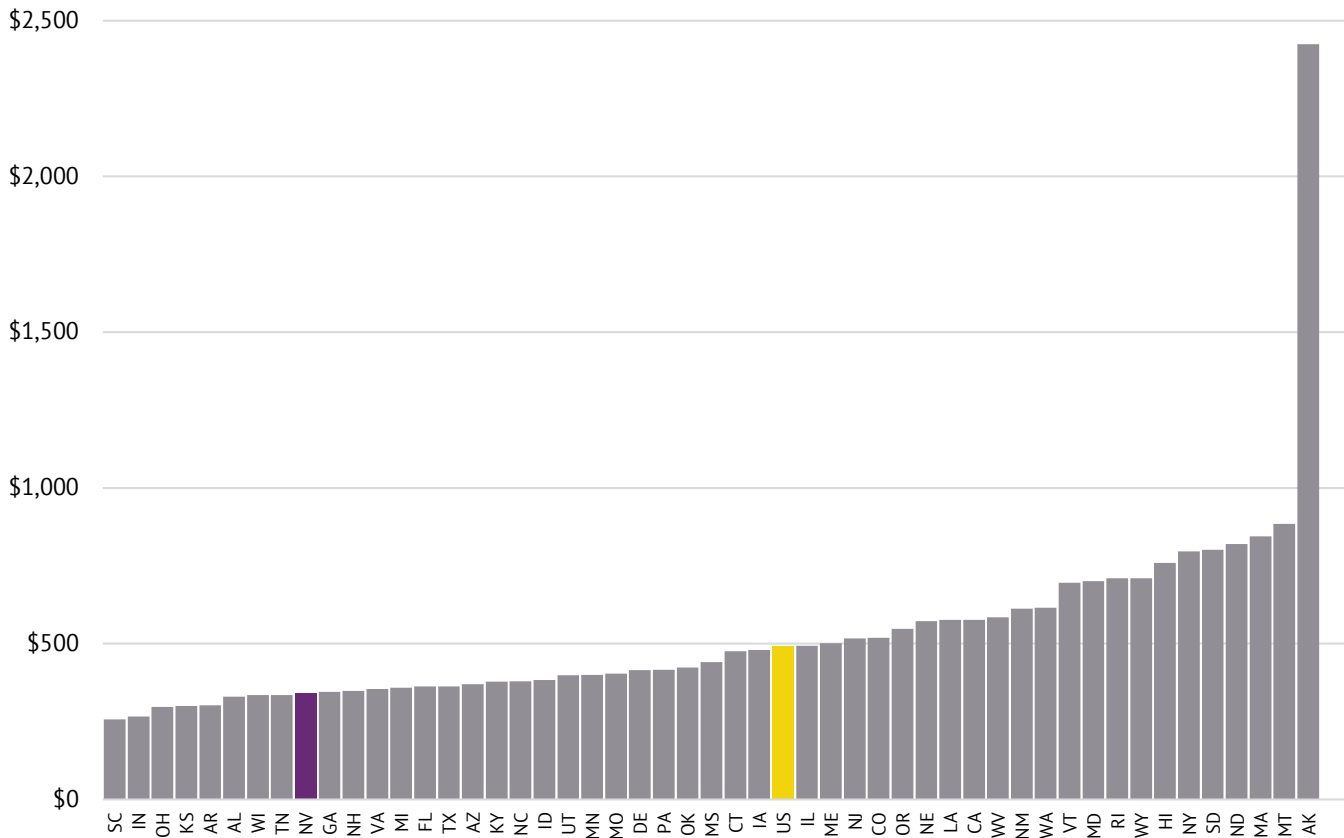


Source: Federal Grants: USAspending.gov | Population: U.S. Census Bureau, *American Community Survey*

A common, if persistent, misconception is that federal formula grants are allocated solely on the basis of population. Were that true, states would receive nearly equal amounts of formula grant dollars once adjusted for population, but, as the figure shows, they do not. Formulas can be quite complex, taking into account, for example, “population, median household income, per capita income, poverty, and number of miles driven.” Medicaid plays a significant role in states’ performance on formula grants, as matching rates can vary from year to year. Floors on the federal share of the Medicaid match mean that some states receive more than they would from the federal government in the absence of these limits, which skews their rankings higher. Small-state minimums are “hold harmless” provisions that are intended to prevent small states from losing money on the basis of size, though size is defined differently in each formula. States can receive disproportionate amounts of money as a result of these provisions, disadvantaging other states in relative terms.

At \$1,835, Nevada ranked 42nd on formula grants per capita in FFY 2020. The amount is 24.6 percent lower than the U.S. average of \$2,349 and 19.2 percent lower than the median state, Iowa, which had a formula grant per capita amount of \$2,226. Notably, Iowa’s population in FFY 2020 was comparably sized to Nevada’s. Another population “peer,” Arkansas, was ranked 13th in FFY 2020; it received \$2,890 in formula grants per capita and more than the double the number of formula grants as Nevada (2,813 in Arkansas versus 1,259 in Nevada). Nevada’s formula grants per capita amount is 22.8 percent higher than Intermountain West neighbor Utah, which received \$1,460 in formula grants per capita, placing it at the bottom of all states and DC.

Federal Project Grants per Capita (Dollars), by State: FFY 2020

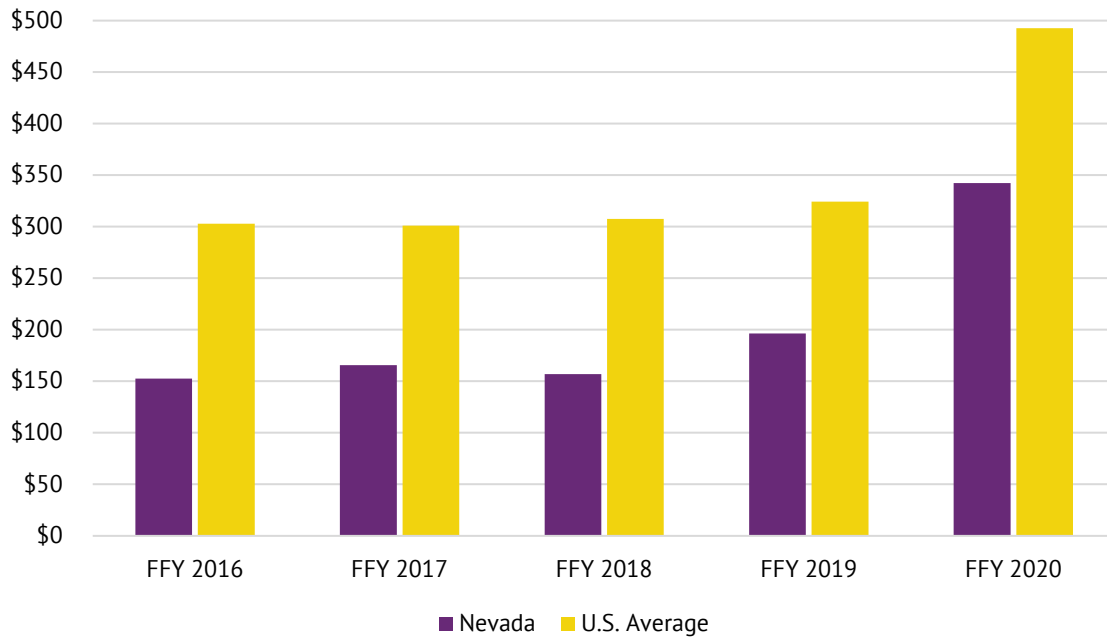


Source: Federal Grants: USAspending.gov | Population: U.S. Census Bureau, *American Community Survey*.
 Note: DC not displayed, but rankings (as referenced in the text) include DC.

Nevada has sought to improve its performance specifically on federal project grants, which are competitively awarded. While the federal government approves or rejects applications for its competitive awards, it is incumbent upon states – or entities within states, such as universities and non-profits – both to apply for project grants and to develop the capacity to administer them through maintenance-of-effort and matching requirements, amongst others. Capacity is the source of variation, rather than prescribed formulas. Project grants tend to be funded at lower dollar amounts than formula grants, but strong performance in the competitive award process can translate into considerable additional federal funding.

In FFY 2020, project grants per capita in Nevada amounted to \$342, for a ranking of 43rd in the nation. It is 36.0 percent lower than the U.S. average of \$493 and 25.2 percent lower than the median state, Mississippi, which ranked 26th with a project grants per capita amount of \$441 and has a population size that is similar to that of Nevada. The Silver State outperforms eight other states and its project grants per capita amount is 28.4 percent higher than South Carolina, which had a project grants per capita amount of \$257 in FFY 2020.

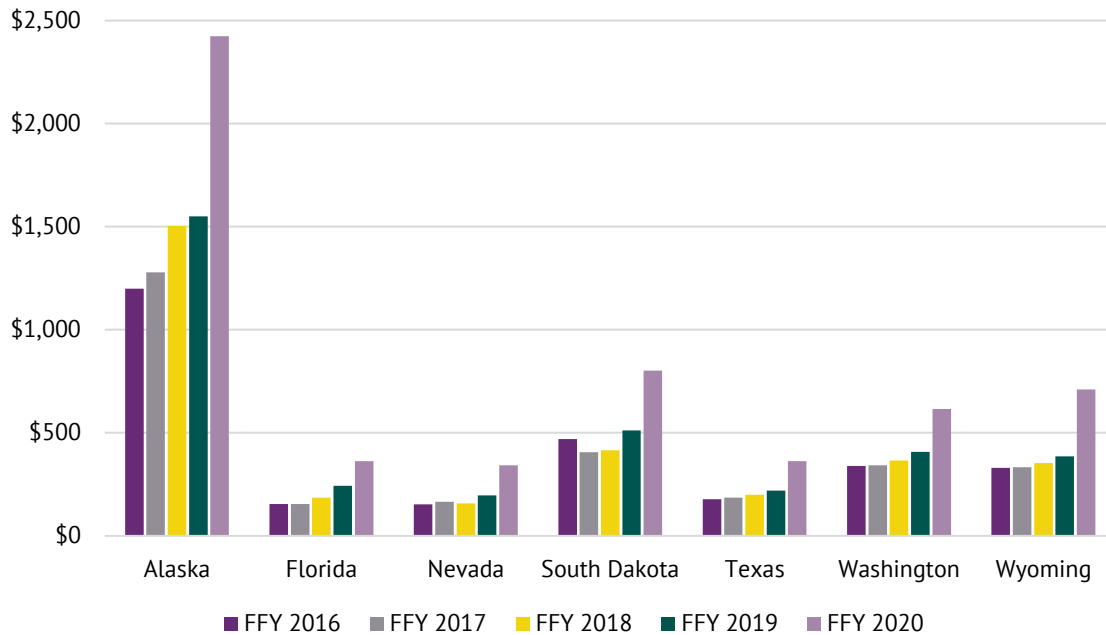
Federal Project Grants per Capita (Dollars): Nevada vs. U.S. Average



Source: Federal Grants: USAspending.gov | Population: U.S. Census Bureau, *American Community Survey*

While Nevada ranked 43rd in the nation on amount of project grants per capita in FFY 2020 and remains below the U.S. average, this figure shows evidence of improvement. Between FFY 2016 and FFY 2020, Nevada began to close the gap between its population-adjusted dollar amount and the national average. Project grants per capita in Nevada amounted to \$153 in FFY 2016, which was roughly half the U.S. average of \$303. By FFY 2020, Nevada’s project grants per capita amount of \$342 more closely approximated the U.S. average amount of \$493 at nearly 70.0 percent. Recently, there has been demonstrable improvement in year-over-year amounts of project grants per capita in Nevada, which increased by 25.2 percent between FFY 2018 and FFY 2019 and by 74.4 percent between FFY 2019 and FFY 2020.

Federal Project Grants per Capita (Dollars): Nevada vs. Comparison States



Source: Federal Grants: USAspending.gov | Population: U.S. Census Bureau, *American Community Survey*

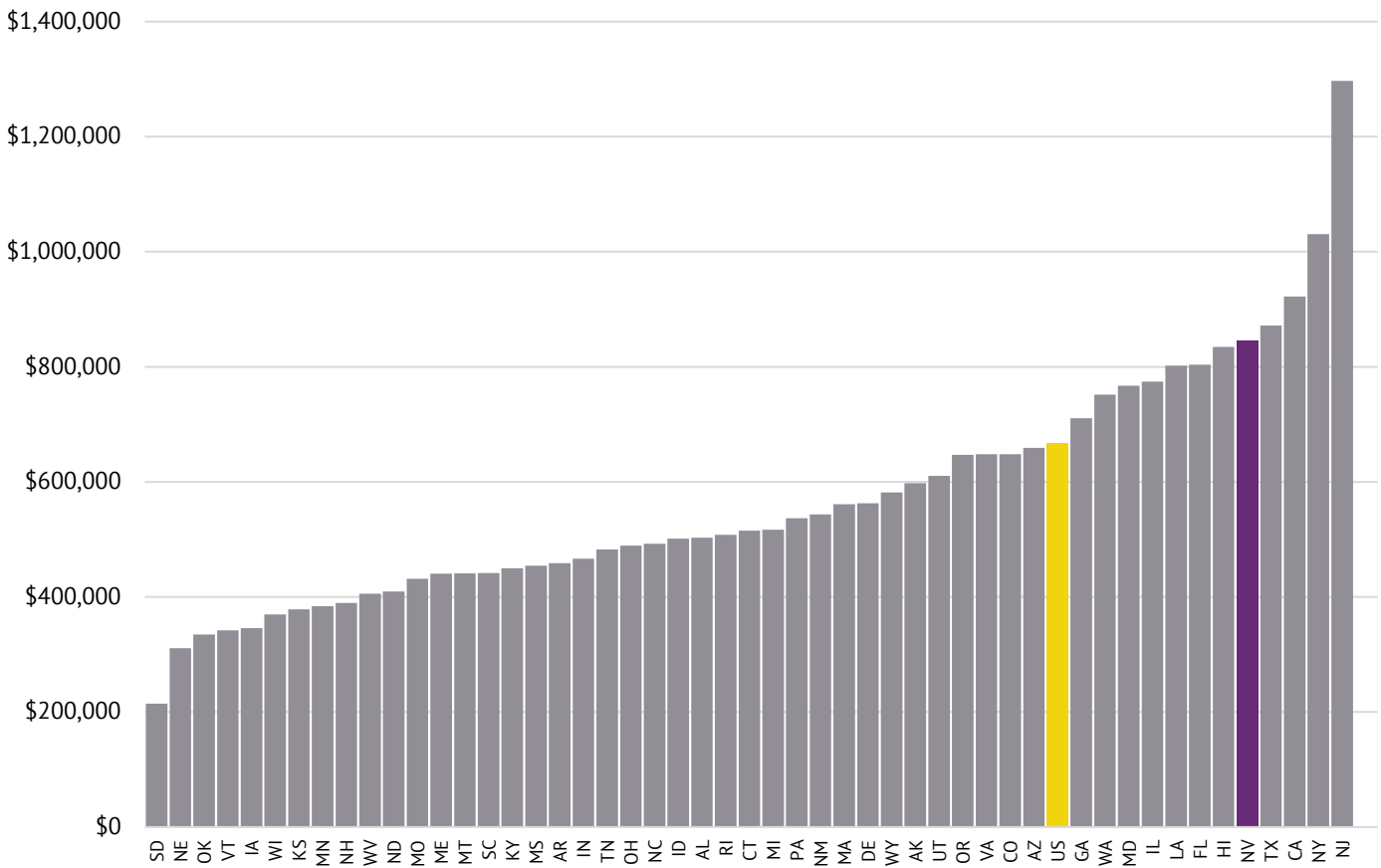
States are somewhat circumscribed in their ability to increase federal formula grants receipts, as previously noted. Given that federal project grants are awarded on a competitive basis, however, they afford potential additional funding opportunities for states. Those states with more limited resources, such as those that do not collect individual income taxes, may attempt to secure federal funds to supplement own-source revenue.

Alaska ranks 2nd in the nation in each year of the five-year period on amount of project grants per capita. South Dakota also has performed well, improving its ranking from 10th in FFY 2016 to 6th in FFY 2020. Similarly, Wyoming improved from 19th in the nation in FFY 2016 to 9th in FFY 2020, and Washington experienced moderate improvement, from 18th to 13th for FFY 2016 and FFY 2020, respectively. As of FFY 2020, three of the six comparison states – Alaska, South Dakota, and Wyoming – ranked in the top 10. With the inclusion of Washington, four of the six comparison states were in the top third in the nation in FFY 2020.

Depending on the year, Nevada has tended to be in company with the two remaining comparison states, Florida and Texas, ranking at or near the very bottom of all states and DC. Between FFY 2018 and FFY 2019, Florida’s ranking improved from 49th to 38th. Texas, like Nevada, witnessed improvement in its ranking between FFY 2019 and FFY 2020: from 47th to 37th for Texas and from 50th to 43rd for Nevada.

Only some states that do not collect individual income taxes consistently have performed well on amount of project grants per capita. Over time, though, all comparison states – even those states at the bottom, like Nevada – have improved their performance, perhaps in recognition of the value that federal dollars provide to states.

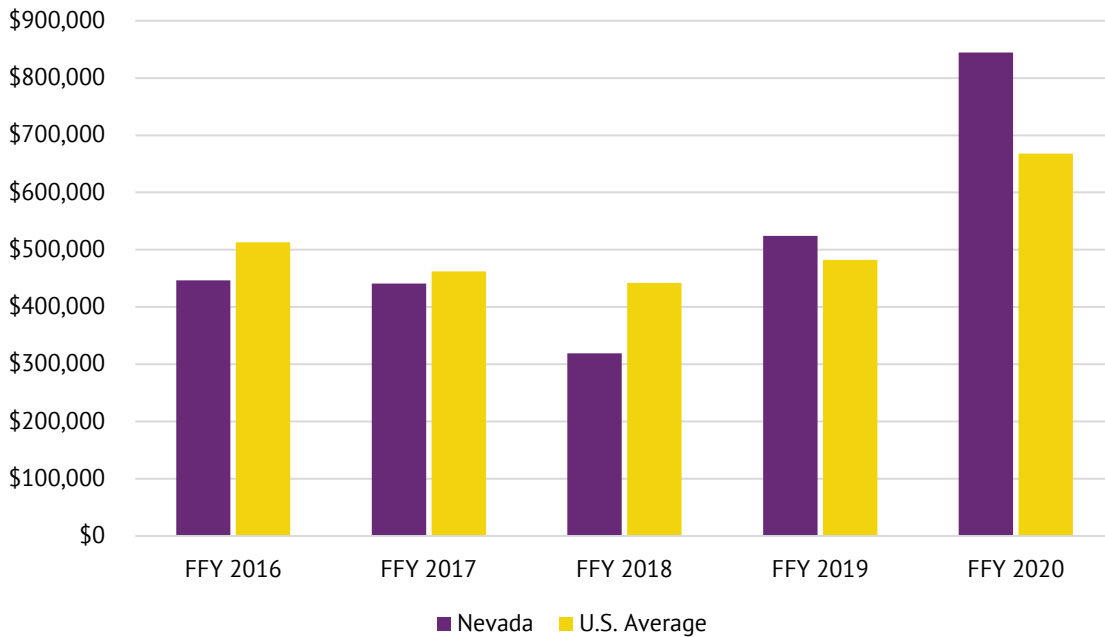
Average Amount of Federal Project Grants Awarded (Dollars), by State: FFY 2020



Source: Federal Grants: USAspending.gov | Population: U.S. Census Bureau, *American Community Survey*.
 Note: DC not displayed, but rankings (as referenced in the text) include DC.

In FFY 2020, Nevada received the fifth-fewest number of federal project grants in the nation (1,272). Nevada ranked 37th on total dollar amount of project grants receipts in the same year at roughly \$1.1 billion. However, the average dollar amount of project grants awarded, calculated as total project grant dollars divided by the number of project grants received, amounted to \$844.7 million. Nevada ranked 6th in the nation on this indicator. The District of Columbia was ranked first, followed by New Jersey, New York, California, and Texas. Nevada’s average project grant dollar amount is 23.4 percent higher than the U.S. average (\$667.8 million), 48.4 percent higher than the median state (Connecticut; \$515.4 million), and 119.0 percent higher than the bottom-ranked state (South Dakota; \$214.5 million). Nevada strongly outperforms the majority of other states on this indicator. Information on whether Nevada fails to apply for many competitive grants or applies but does not receive them is unknown. But the data displayed in this figure suggests that, while Nevada receives a comparatively low number of project grants, the dollar amount is proportionally quite high. When Nevada receives competitive grants, it fares extremely well. This indicates that a sustained commitment to increasing the absolute number of project grants may help optimize competitive federal funding.

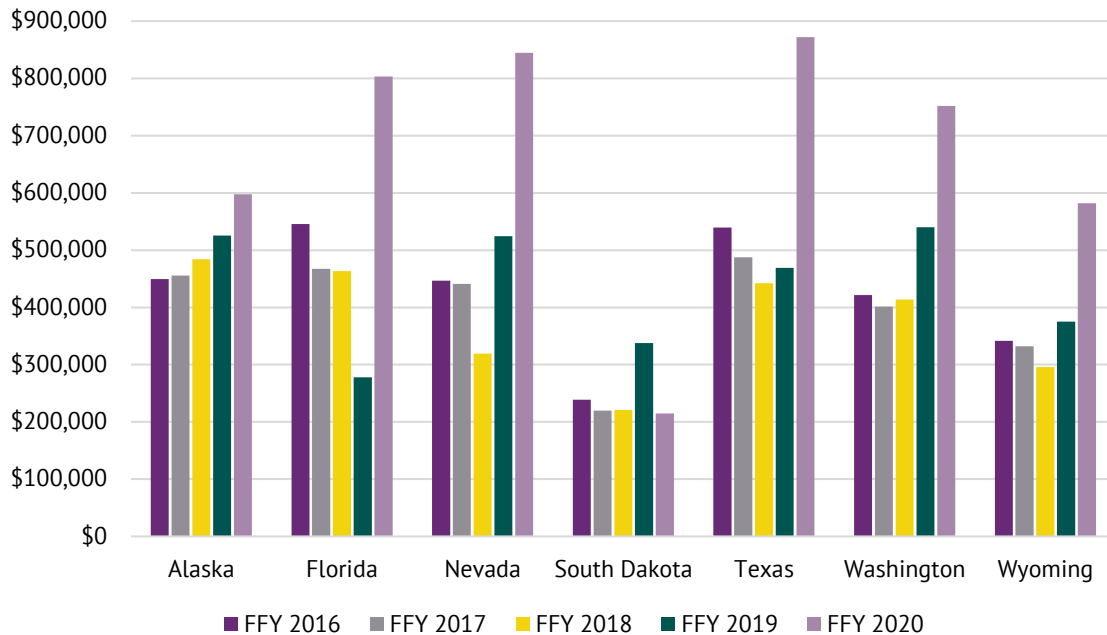
Average Amount of Federal Project Grants Awarded (Dollars): Nevada vs. U.S. Average



Source: Federal Grants: USAspending.gov | Population: U.S. Census Bureau, *American Community Survey*

The figure on the previous page indicated that Nevada was one of the highest-ranked states in the nation on the average dollar amount of project grants awarded in FFY 2020. But an historical perspective is necessary to evaluate whether or not FFY 2020 was an outlier. In other words, was Nevada’s FFY 2020 performance on this indicator a statistical artifact, perhaps resulting from additional money made available through the CARES Act? That does not appear to be the case. As the figure above illustrates, FFY 2019 was the first time Nevada exceeded the U.S. average, and it pre-dated receipt of CARES money. Moreover, the trend accelerated into FFY 2020, and though more federal money was available under CARES, these grants were awarded as part of a competitive application process. If the “more money” explanation were sufficient, then that likely would have held for all states, and Nevada’s relative share would have remained constant. Instead, Nevada’s ranked 34th in the nation on this indicator in FFY 2018 but improved to 11th in FFY 2019 and 6th in FFY 2020. This would seem to imply that Nevada is improving significantly on at least one measure of competitive federal grant award performance. Capacity-building efforts and heightened awareness regarding the salience of federal grant competitiveness may be driving this change.

Average Amount of Federal Project Grants Awarded (Dollars): Nevada vs. Comparison States



Source: Federal Grants: USAspending.gov | Population: U.S. Census Bureau, *American Community Survey*

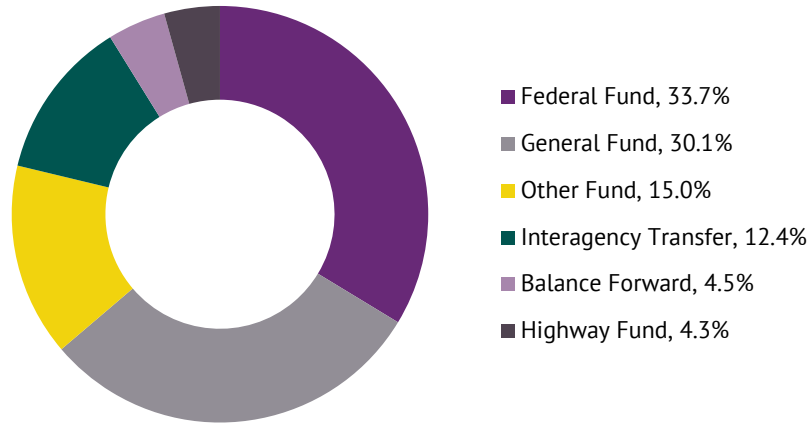
Like Nevada, the average dollar amount of project grants awarded in comparison states tends to be relatively high. In FFY 2020, five of the six comparison states and Nevada ranked in the top 20 in the nation. Texas ranked 5th, Nevada ranked 6th, Florida ranked 8th, Washington ranked 12th, Alaska ranked 19th, and Wyoming ranked 20th. Alaska and Wyoming were the only two of the highest-ranked comparison states that were below the U.S. average. South Dakota is the outlier amongst states that do not collect individual income taxes, ranking at the very bottom of all states and DC in FFY 2020.

What is particularly striking is that Florida, Nevada, and Texas, which historically have been amongst the poorest performers on amount of project grants per capita, are strong performers on average dollar amount of project grants awarded. The converse is true for South Dakota, and, to a lesser extent, Alaska and Wyoming; these three states ranked in the top 10 on project grants per capita in FFY 2020. Washington's ranking is just outside the top 10 on both indicators.

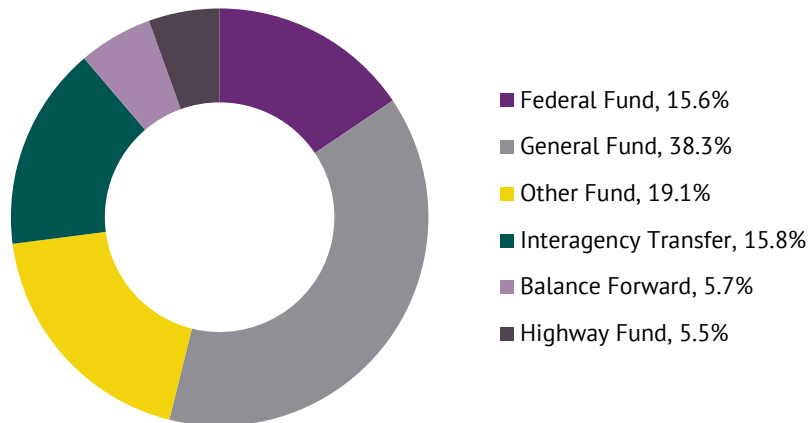
Depending on the indicator, Florida, Nevada, and Texas can appear extremely competitive or somewhat underperforming, and the same holds true for Alaska, South Dakota, and Wyoming. The former group of states receives high dollar amounts relative to the number of project grants awarded to them, while the latter group receives high dollar amounts relative to population size. Additional research would be required to investigate the sources of these differences more fully, but the contradiction is worthy of note, particularly as the states cluster together.

Revenue Sources for State Fiscal Year (SFY) 2020

WITH MEDICAID



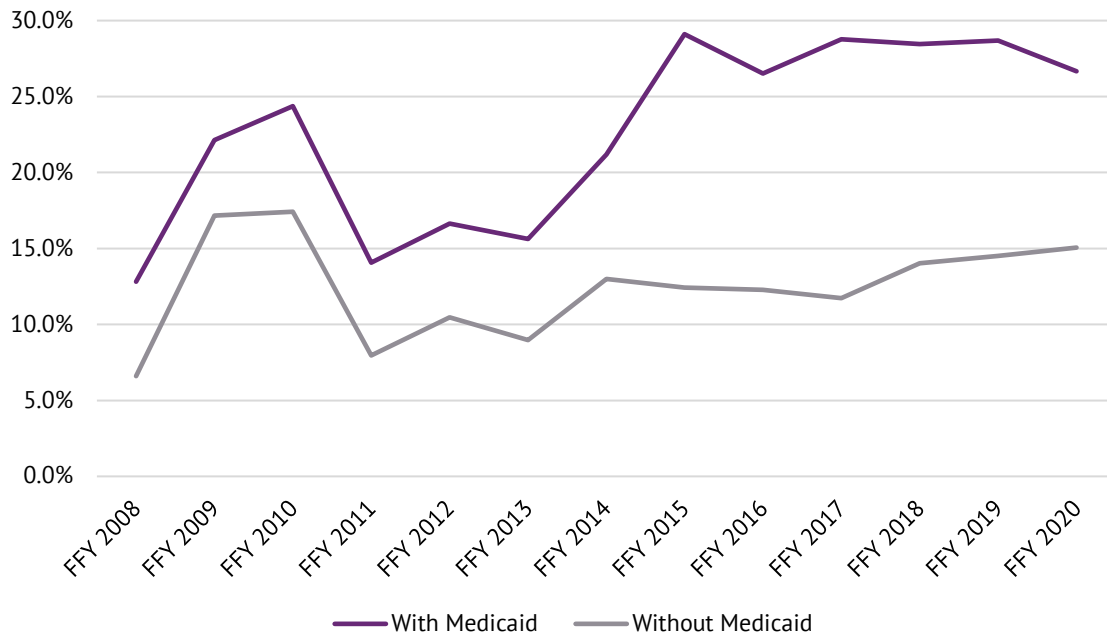
WITHOUT MEDICAID



Source: Nevada’s Transparent Government Website, open.nv.gov. *Note:* Percentage of the Total Legislatively Approved Budget. “Without Medicaid” is a hypothetical calculation, as computed by the Guinn Center.

The top figure shows actual funding sources in Nevada’s Legislatively Approved Budget for State Fiscal Year (SFY) 2020. (Total revenue for SFY 2020 amounted to about \$14.5 billion.) The bottom figure presents a hypothetical version in which federal matching money for Nevada Medicaid (Title XIX) is excluded. Medicaid accounted for 63.7 percent of the State’s Federal Fund in SFY 2020, so when subtracted – as in the bottom figure – its effect on total revenue becomes apparent. In the absence of Medicaid dollars, the Federal Fund would have decreased by more than half, from 33.7 percent to 15.6 percent. As 99.8 percent of the SFY 2020 Federal Fund consisted of grant money, the considerable impact of Medicaid is evident.

Federal Grants Awarded as a Percentage of All Federal Funds Awarded in Nevada (Dollars): With Medicaid vs. Without Medicaid



Source: Federal Grants / Federal Funds Awarded: USAspending.gov. Note: “Federal Funds Awarded” includes all award types (contracts, grants, direct payments, loans, insurance, and other miscellaneous financial assistance). “Without Medicaid” is a hypothetical calculation, as computed by the Guinn Center.

The dollar amount of grants awarded as a percentage of the dollar amount of all federal funds awarded in Nevada is displayed here: the purple line is the actual data, while the gray line shows the hypothetical case of Medicaid exclusion from total federal awards. Up until the full year of Medicaid expansion money, that is, FFY 2015, the lines correspond with one another. Beginning in FFY 2015, however, the lines diverge considerably. Actual grant dollars, as a percentage of the total, spike to the 25 percent to 30 percent range. Hypothetical grant dollars exhibit a flattening-out effect in the 10 percent to 15 percent range. This suggests that the amount of federal dollars received in Nevada may be distorted by the influence of Medicaid funding.

**Total Federal Grants per Capita (Dollars): Nevada vs. Comparison States,
Federal Fiscal Year (FFY) 2020: With and Without Medicaid)**

	WITH MEDICAID		WITHOUT MEDICAID	
	Amount (\$)	Rank	Amount (\$)	Rank
Alaska	8,092.23	2	5,488.68	2
Florida	2,019.39	51	1,091.06	51
Nevada	2,296.05	45	1,120.08	50
South Dakota	3,015.95	25	2,243.79	8
Texas	2,263.59	46	1,265.22	40
Washington	2,868.84	30	1,577.17	24
Wyoming	3,248.18	20	2,463.93	5

Source: Federal Grants: USAspending.gov | Population: U.S. Census Bureau, *American Community Survey*.
Note: “Without Medicaid” is a hypothetical calculation, as computed by the Guinn Center.

Amongst the comparison states, Alaska and Washington – like Nevada – adopted Medicaid expansion, while the remaining four states have not. In theory, excluding Medicaid from the total dollar amount of federal grants per capita should redound to the benefit of states that did not adopt expansion, as they are disadvantaged by forgoing this considerable source of federal aid to states. That holds true for South Dakota and Wyoming, for which their rankings would improve from 25th to 8th and 20th to 5th, respectively. However, expansion state Alaska’s ranking would remain unchanged regardless of the inclusion/exclusion of Medicaid, as would that for non-expansion state Florida. Both Texas and Washington would improve their rankings in the absence of Medicaid, though the former is a non-expansion state, while the latter is an expansion state. In practice, exclusion of Medicaid from the total dollar amount of federal grants per capita would leave states either with unchanged rankings (Alaska and Florida) or with improved rankings (South Dakota, Texas, Washington, and Wyoming), irrespective of expansion take-up.

Nevada is the outlier amongst states that do not collect individual income taxes. It is the only state in the group for which its ranking would worsen in the hypothetical absence of Medicaid. Exclusion of Medicaid would depress its FFY 2020 ranking from 45th to 50th in the nation. Its dollar amount of federal grants per capita would decrease by 68.8 percent, from \$2,296 to \$1,120. Medicaid accounted for 51.2 percent of total federal grant money awarded to Nevada in FFY 2020, which is the highest share in the comparison group and 18th-highest in the nation. This demonstrates the importance of Medicaid to Nevada, as it likely is the engine of Nevada’s overall improvement in its ranking on total federal grants per capita since FFY 2015, the first full year of expansion.





Phone: 702-427-7509
Email: info@guinncenter.org
Mailing address: College of Southern Nevada
Attn: Guinn Center
Mailstop NLVS144
3200 E. Cheyenne Avenue
North Las Vegas, Nevada 89030