

State of Nevada
Recovery Plan

**State and Local Fiscal Recovery
Funds**

2021 Report

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General Overview

Executive Summary

In April 2021, prior to the release of the Interim Final Rule (IFR) and related guidance, Governor Sisolak, Assembly Speaker Frierson, Senate Majority Leader Cannizzaro and State Treasurer Conine developed the “Every Nevadan Recovery Framework” strategic plan (https://nvhealthresponse.nv.gov/wp-content/uploads/2021/04/Every-Nevadan-Recovery-Framework_final.pdf) to serve as the foundation for prioritizing the expenditure of discretionary American Rescue Plan Act (ARPA) funds, including the Coronavirus State and Local Fiscal Recovery Fund (Fiscal Recovery Fund).

The “Every Nevadan Recovery Framework” document provides a Mission Statement for the strategic planning process and identifies "prioritization bands" to organize input and ideas from the public and stakeholders (e.g. local government, businesses, non-profits). It highlights seven prioritized categories to allow subject-matter experts and stakeholders to engage and compare ideas more effectively. The Framework also highlights the need to fund urgent health or social-safety net items quickly to provide immediate relief. Using this Framework, the State of Nevada along with a community engagement vendor, will embark on a 75-day "listening tour" (August through October 2021) to County Commissions, City Councils, citizen groups, non-profits, state agency leaders, and special interest groups to incorporate feedback into a final ARPA federal aid “Roadmap” plan.

Several items were considered to be critical by the Nevada Legislature during the 81st Legislative Session and received immediate Fiscal Recovery Fund appropriations, within only days after the release of the IFR and related guidance in late May 2021 (the Legislative Session adjourned on June 1, 2021). The Chief of the Budget Division of the Governor's Finance Office (GFO) has been directed to carry out specific disbursements from the Fiscal Recovery Funds as soon as practicable after receiving the money for items such as: fiscal restorations; to address ongoing recovery needs (rental and food assistance, unemployment expenses, and support for disadvantaged communities); and to support the continued public health response to COVID-19. Senate Bill 461 (SB 461) of the 81st Session provided direction that after receipt of the Fiscal Recovery Funds, the Chief of the Budget Division is required to follow a specific order of priority for disbursements.

As directed in SB 461, before any other Fiscal Recovery Funds disbursement could be made, the GFO was required to determine the reduction of the general revenue of the State and transfer this amount to the State General Fund. Economists from the GFO and the Legislative Counsel Bureau finished this review in early August 2021 and in the meantime, the GFO reached out to programs/services that through legislation are funded using Fiscal Recovery Funds to collect required information, plans, and data to ensure it meets the U.S. Department of the Treasury (Treasury) guidelines as an eligible use of funds. Review of submitted information is anticipated to be completed by fall of 2021 and the State of Nevada 2021 Recovery Plan will be updated accordingly.

Uses of Funds

Several programs and initiatives received immediate Fiscal Recovery Fund appropriations by the Nevada Legislature during the 81st Legislative Session. The Chief of the Budget Division of the GFO has been directed to carry out specific disbursements from the Fiscal Recovery Funds as soon as practicable after receiving the money for the following expenditure categories:

- a. **Public Health (EC 1)** - \$20.9 million was allocated by Senate Bill 461 (SB 461) for the COVID-19 public health emergency. The planned use of these funds includes:
 1. \$15.8 million for public health response including without limitation, mental health treatment, substance use disorder treatment, and other behavioral health services, construction costs and other capital improvements in public facilities to meet COVID-19-related operational needs and expenses related to establishing and enhancing public health data systems. GFO is collecting required information, plans and data to ensure it meets the Treasury guidelines as an eligible use of funds and to ensure the program complies with associated reporting and planning requirements. This review is expected to be completed in fall of 2021 and will be incorporated into the State of Nevada 2021 Recovery Plan.
 2. \$5.1 million for the Vax Nevada Days initiative to encourage Nevadans to receive the COVID-19 vaccine. Each week of Vax Nevada Days vaccinated residents are eligible for a random drawing to win cash, post-secondary education saving plans, state parks annual permits or fishing licenses. Winners are announced weekly starting July 8, 2021, with the \$1 million grand prize announced August 26, 2021. Vaccinated Nevada residents have nearly 2,000 opportunities to win. Due to the COVID-19 Delta variant and corresponding surge and to enhance the level of vaccinations in the State, this program was launched as quickly as possible with approval from the Legislature's Interim Finance Committee in June 2021.

- b. **Negative Economic Impacts (EC 2)** – several bills from the 81st Session authorized Fiscal Recovery Funds to provide funding for programs/initiatives that respond to the negative economic impacts of the COVID–19 pandemic. This includes the following allocations from Assembly Bill 486 (AB 486), SB 461 and authorizations from the State of Nevada budget closings:
 1. **AB 486** – authorized \$5 million in Fiscal Recovery Funds for direct payment of rental assistance to landlords on behalf of tenants who have defaulted in the payment of rent in this State. This program is expected to incur expenses starting in September 2021.
 2. **May 15, 2021 Budget Closing** – authorized \$66.3 million in Fiscal Year 2022 and \$51.5 million in Fiscal Year 2023 of Fiscal Recovery Funds for state agencies and the Nevada System of Higher Education (NSHE) budgets to restore positions beginning July 1, 2021 to maintain government services. Funds will be disbursed throughout the biennium to ensure identified positions are fully funded.
 3. **SB 461** - In accordance with the Interim Final Rule (IFR), the State of Nevada may make deposits into the state account of the Unemployment Trust Fund *“to pay*

back advances received under Title XII of the Social Security Act (42 U.S.C. 1321) for the payment of benefits between January 27, 2020 and May 17, 2021". \$335 million of CSLFRF was authorized in SB 461 to repay these advances for Nevada which is expected to occur in late August or early September 2021.

- c. **Services to Disproportionately Impacted Communities (EC 3)** – several bills from the session authorized Fiscal Recovery Funds to provide funding for services to disproportionately impacted communities. This includes allocations from Assembly Bill 495 (AB 495), Assembly Bill 484 (AB 484) and SB 461. For each of these items listed below, GFO is collecting required information, plans and data to ensure it meets the Treasury guidelines as an eligible use of funds and to ensure the program complies with associated reporting and planning requirements. This review is expected to be completed in fall of 2021 and will be incorporated into an updated State of Nevada 2021 Recovery Plan.
1. **AB 495** – authorized \$200 million to the Nevada Department of Education and \$15 million to the State Public Charter School Authority to be administered as grants to qualifying school districts, university schools, and charter schools in Nevada to augment programs implemented to address the impacts of learning loss experienced as a result of the pandemic. To qualify for a grant, school districts, university schools and charter schools must describe how they have expended or plan to expend their allocation of other direct federal funding from the ESSER and GEER funds to demonstrate funding gaps in existing literacy and at-risk programming (experienced because of the COVID-19 pandemic). For this initiative, GFO is also reviewing the planned uses to ensure it meets the requirements as outlined in AB 495.
 2. **AB 484** – authorized \$54 million to the Department of Employment, Training and Rehabilitation (DETR), Employment Security Division to upgrade its unemployment compensation information system, to ensure those hit hardest from the pandemic are able to access assistance more efficiently.
 3. **SB 461** – authorized \$7.6 million to address increased levels of food insecurity resulting from the negative economic impact of the pandemic on low-income families.
 4. **SB 461** – authorized \$6 million to the Collaboration Center Foundation to augment services and programs implemented to address the negative or disparate impacts of the pandemic on persons with disabilities.
 5. **SB 461** – authorized \$5 million to the State Treasurer to be administered as grants to persons with disabilities who are under 18 years of age through the Nevada ABLE Savings Program to assist those who have been negatively or disparately impacted by the pandemic with expenses related to education, housing, transportation, employment training and support, assistive technology, personal support services, health care costs, financial management and other qualified disability expenses.
 6. **SB 461** – authorized \$4 million to the University of Nevada, Reno, to establish a statewide program modeled after the Dean’s Future Scholars Program to assist pupils who are: in grade 6 or higher, prospective first-generation college students and have been negatively or disparately impacted by the pandemic. Must be used to provide support and services related to mentorship; tutoring; and access to food,

technology and activities/programs designed to address, support, or reduce learning loss caused or exacerbated by the pandemic.

- d. **Premium Pay (EC 4)** – the 81st Legislative Session did not include any immediate funding for Premium Pay. Any considerations for this planned use could be a part of the final ARPA Roadmap expected to be completed in fall of 2021.
- e. **Water, sewer, and broadband infrastructure (EC 5)** - the 81st Legislative Session did not include any immediate funding specific for water, sewer and broadband infrastructure, although it could be a component of allocations granted for the Public Health Emergency (\$15.8 million) or for the Nevada Department of Education and State Public Charter School Authority education grants (\$215 million). Any considerations for this planned use could be a part of the final ARPA Roadmap expected to be completed in fall of 2021.
- f. **Revenue Replacement (EC 6)** - Sections 602(c)(1)(C) and 603(c)(1)(C) of the American Rescue Plan Act allows recipients facing budget shortfalls to use payments from the Fiscal Recovery Funds to avoid cuts to government services and, thus, enable State, local, and Tribal governments to continue to provide valuable services and ensure that fiscal austerity measures do not hamper the broader economic recovery. The interim final rule implements these provisions by establishing a definition of “general revenue” for purposes of calculating a loss in revenue and by providing a methodology for calculating revenue lost due to the COVID–19 public health emergency. In early August the State of Nevada used this formula to identify \$1,086,485,000.00 in lost revenue and subsequently transferred this to the State General Fund to be used for the provision of government services. This includes (but is not limited to) maintenance or pay-go funded building of infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services.

Promoting Equitable Outcomes

GFO is in the process of collecting required information, plans and data from any program/initiative that received immediate authorization of Fiscal Recovery Fund by the Nevada Legislature during the 81st Legislative Session. Collection of this information is expected to be completed in the fall of 2021 and information will be incorporated into an updated State of Nevada 2021 Recovery Plan. Any initiative funded with Fiscal Recovery Funds through the 81st Session and/or through the Every Nevadan Recovery Roadmap will be required to provide descriptions of:

- How programs were designed with equity in mind
- How the program’s approach achieved or promoted equitable outcomes or progressed against equity goals during the performance period
- How the program/initiative will consider and measure equity at the various stages of the program
- What qualitative and quantitative data is used to measure this

Additionally, programs will be required to provide the following:

- **Goals:** Are there particular historically underserved, marginalized, or adversely affected groups that the program intends to serve?
- **Awareness:** How equal and practical is the ability for residents or businesses to become aware of the services funded by the Fiscal Recovery Fund?
- **Access and Distribution:** Are there differences in levels of access to benefits and services across groups? Are there administrative requirements that result in disparities in ability to complete applications or meet eligibility criteria?
- **Outcomes:** Are intended outcomes focused on closing gaps, reaching universal levels of service, or disaggregating progress by race, ethnicity, and other equity dimensions where relevant for the policy objective?

Community Engagement

Using the “Every Nevadan Recovery Framework”, the State of Nevada along with a community engagement vendor, is conducting the Nevada Recovers Listening Tour, which provides for at least 75 events over 75 days and will conclude in mid-October with a planned final event held on Friday, October 15, 2021. Following the completion of the Listening Tour, the State (Legislature, Executive Branch, and agencies) will work with a contracted vendor to establish a comprehensive Every Nevadan Recovery Roadmap, which will provide a robust plan for the Legislature’s consideration on how best to maximize, spend, and invest the State’s share of funding. The creation of the Roadmap is anticipated to take approximately 75-125 days, with certain pieces moving more or less quickly due to the complexity of funding streams and availability of existing programs.

The Nevada Recovers Listening Tour provides an opportunity for Nevadans in every community to provide input on how the State can utilize and invest the remaining Fiscal Recovery Funds as well as the billions of dollars that will be received from other funding sources through the American Rescue Plan Act.

Nevadans can find more information, fill out a survey, and submit their ideas directly to the State through: <http://nevadarecovers.com>.

Labor Practices

Any initiative funded with Fiscal Recovery Funds through the 81st Session and/or through the Every Nevadan Recovery Roadmap will be required to provide descriptions of:

- Workforce practices on any infrastructure projects being pursued
- How projects are using strong labor standards to promote effective and efficient delivery of high-quality infrastructure projects while also supporting the economic recovery through strong employment opportunities for workers (e.g. project labor agreements, community benefits agreements, prevailing wage requirements, and local hiring)

Use of Evidence

In addition to collecting information related to equitable outcomes and labor practices, any initiative funded with Fiscal Recovery Funds through the 81st Session and/or through the Every Nevadan Recovery Roadmap, will be required to provide descriptions of:

- Whether Fiscal Recovery Funds are being used for evidence-based interventions and/or if projects are being evaluated through rigorous program evaluations that are designed to build evidence

- Description of the overall approach for using evidence and evaluation for the program/initiative
- Detailed evidence information for each project/initiative
- How this approach would feed into the overall Every Nevadan Recovery Roadmap plan and support the State’s overarching evaluation efforts in order to create an evidence-building strategy for specific regions and/or for the entire state.

Table of Expenses by Expenditure Category

Below is a list of cumulative obligations and expenses to date within each category. Since this is the first Recovery Plan for the State of Nevada and because of the timing of the receipt of funds, there are no amounts listed in the “Amount spent since last Recovery Plan” column for this report.

The State of Nevada’s Fiscal Recovery payment was received on June 4, 2021. Obligations listed below reflect appropriations authorized from the date funds were received through July 31, 2021.

- The amount in Category 1.1 represents an allocation of Fiscal Recovery Funds for the Vax Nevada Days vaccine incentive program approved at the June 22, 2021 Nevada Legislature’s Interim Finance Committee (IFC).
- The amount in Category 7.1 represents approval of obligations for personnel-related costs to administer the Fiscal Recovery Fund, approved at the June 22, 2021 IFC.
- The amount in Category 2.5 is an approved allocation for rental assistance to certain landlords with tenants who have defaulted in payment for rent and are participating in eviction proceedings as authorized in AB 486 of the 81st Session of the Nevada Legislature.
- As authorized during the 81st Session in SB 461, the amount in Category 6.1 is for the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency, relative to revenues collected in the most recent full fiscal year prior to the emergency

Other appropriations that were authorized during the 81st Session required further approvals from the IFC. As a result, these appropriations were disbursed after July 31, 2021 and will be reflected in the next State of Nevada Recovery Plan report covering the dates of July 1, 2021 through June 30, 2022.

Category		Cumulative obligations to date (\$)	Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
1	Expenditure Category: Public Health			
1.1	COVID-19 Vaccination	\$5,100,000		
1.2	COVID-19 Testing			
1.3	COVID-19 Contact Tracing			
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)			
1.5	Personal Protective Equipment			
1.6	Medical Expenses (including Alternative Care Facilities)			

Category		Cumulative obligations to date (\$)	Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
1.7	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency			
1.8	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)			
1.9	Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19			
1.10	Mental Health Services			
1.11	Substance Use Services			
1.12	Other Public Health Services			
2	Expenditure Category: Negative Economic Impacts			
2.1	Household Assistance: Food Programs			
2.2	Household Assistance: Rent, Mortgage, and Utility Aid			
2.3	Household Assistance: Cash Transfers			
2.4	Household Assistance: Internet Access Programs			
2.5	Household Assistance: Eviction Prevention	\$5,000,000		
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers			
2.7	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)			
2.8	Contributions to UI Trust Funds*			
2.9	Small Business Economic Assistance (General)			
2.10	Aid to nonprofit organizations			
2.11	Aid to Tourism, Travel, or Hospitality			
2.12	Aid to Other Impacted Industries			
2.13	Other Economic Support			
2.14	Rehiring Public Sector Staff			
3	Expenditure Category: Services to Disproportionately Impacted Communities			
3.1	Education Assistance: Early Learning			
3.2	Education Assistance: Aid to High-Poverty Districts			
3.3	Education Assistance: Academic Services			
3.4	Education Assistance: Social, Emotional, and Mental Health Services			
3.5	Education Assistance: Other			
3.6	Healthy Childhood Environments: Child Care			
3.7	Healthy Childhood Environments: Home Visiting			

Category		Cumulative obligations to date (\$)	Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
3.8	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System			
3.9	Healthy Childhood Environments: Other			
3.10	Housing Support: Affordable Housing			
3.11	Housing Support: Services for Unhoused persons			
3.12	Housing Support: Other Housing Assistance			
3.13	Social Determinants of Health: Other			
3.14	Social Determinants of Health: Community Health Workers or Benefits Navigators			
3.15	Social Determinants of Health: Lead Remediation			
3.16	Social Determinants of Health: Community Violence Interventions			
4	Expenditure Category: Premium Pay			
4.1	Public Sector Employees			
4.2	Private Sector: Grants to other employers			
5	Expenditure Category: Infrastructure			
5.1	Clean Water: Centralized wastewater treatment			
5.2	Clean Water: Centralized wastewater collection and conveyance			
5.3	Clean Water: Decentralized wastewater			
5.4	Clean Water: Combined sewer overflows			
5.5	Clean Water: Other sewer infrastructure			
5.6	Clean Water: Stormwater			
5.7	Clean Water: Energy conservation			
5.8	Clean Water: Water conservation			
5.9	Clean Water: Nonpoint source			
5.10	Drinking water: Treatment			
5.11	Drinking water: Transmission & distribution			
5.12	Drinking water: Transmission & distribution: lead remediation			
5.13	Drinking water: Source			
5.14	Drinking water: Storage			
5.15	Drinking water: Other water infrastructure			
5.16	Broadband: "Last Mile" projects			
5.17	Broadband: Other projects			
6	Expenditure Category: Revenue Replacement			
6.1	Provision of Government Services	\$1,086,485,000		
7	Administrative and Other			

Category		Cumulative obligations to date (\$)	Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
7.1	Administrative Expenses	\$630,709		
7.2	Evaluation and data analysis			
7.3	Transfers to Other Units of Government			
7.4	Transfers to Nonentitlement Units (States and Territories only)	\$ 71,059,183.99		

Project Inventory

Since this is the first State of Nevada Recovery Plan covering the period prior to July 31, 2021 and because of the timing of the receipt of funds for Nevada, there are no details for the Project Inventory for this reporting period. The State of Nevada only has obligations for a few projects as described above.

Any initiative funded with Fiscal Recovery Funds through the 81st Session and/or any program funded through the Every Nevadan Recovery Roadmap will be reflected in the next Recovery Plan covering the dates of July 1, 2021 through June 30, 2022. The following information will be provided for each completed/in progress project:

- **Project (Identification Number):** Project Name.
- **Funding amount:** Funding amount.
- **Project Expenditure Category:** Category number, Category Name.
- **Project overview:** A description of the project that includes an overview of the main activities of the project, the approximate timeline, primary delivery mechanisms and partners, if applicable, and intended outcomes.
 - Link to the website of the project if available.
 - How project contributes to addressing climate change (for infrastructure projects under EC 5).
- **Use of Evidence:** Brief description of the goals of the project, and whether Fiscal Recovery Funds are being used for evidence-based interventions
 - The evidence base for the interventions, and/or if projects are being evaluated through rigorous program evaluations that are designed to build evidence.
 - If a recipient is conducting a program evaluation in lieu of reporting the amount of spending on evidence-based interventions, a description of the evaluation design
 - The dollar amount of the total project spending that is allocated towards evidence-based interventions for each project in the Public Health (EC 1), Negative Economic Impacts (EC 2), and Services to Disproportionately Impacted Communities (EC 3) Expenditure Categories.

Performance Report

Since this is the first State of Nevada Recovery Plan covering the period prior to July 31, 2021 and because of the timing of the receipt of funds for Nevada, there are no details on performance for this reporting period. The State of Nevada currently has only executed obligations as described above.

Any initiative funded with Fiscal Recovery Funds through the 81st Session and/or any program funded through the Every Nevadan Recovery Roadmap will have associated performance updates in the next Recovery Plan report that covers the dates of July 1, 2021 through June 30, 2022. The following performance-related information will be provided for each completed/in progress project:

- Key performance indicators (for major Fiscal Recovery Funds projects or group projects with substantially similar goals) and the outcome measures
 - May include indicators for each project as well as crosscutting indicators
 - Both output and outcome measures
- Mandatory performance indicators for projects in relevant areas per Treasury Guidance
 - Household Assistance (EC 2.2 & 2.5) and Housing Support (EC 3.10-3.12):
 - Number of people or households receiving eviction prevention services (including legal representation)
 - Number of affordable housing units preserved or developed
 - Negative Economic Impacts (EC 2):
 - Number of workers enrolled in sectoral job training programs
 - Number of workers completing sectoral job training programs
 - Number of people participating in summer youth employment programs
 - Education Assistance (EC 3.1-3.5):
 - Number of students participating in evidence-based tutoring programs
 - Healthy Childhood Environments (EC 3.6-3.9):
 - Number of children served by childcare and early learning (pre-school/pre-K/ages 3- 5)
 - Number of families served by home visiting
 - To include if possible, data disaggregated by race, ethnicity, gender, income, and other relevant factors
 - Table with data for the performance period as well as prior period

Ineligible Activities: Tax Offset Provision (States and Territories Only)

Since this is the first State of Nevada Recovery Plan covering the period prior to July 31, 2021 and with direction from the Treasury, there are no details to report on items related to the Tax Offset Provision 31 CFR 35.8.