Area Development Districts

July 2019

Working Group Meeting

CHRONOLOGY OF THE DEVELOPMENT OF THE AREA DEVELOPMENT **DISTRICTS:** "REGIONALISM IN KENTUCKY"

Sept. 1956 - Kentucky "Jaycees" (Ky. Junior Chambers of Commerce) form the Eastern Ky. Development Council, a 50 member Citizen's Group which begins a series of Public meetings to produce a development program for Eastern Ky.

Sept. 1957 - A nine member Eastern Kentucky Regional Planning Commission is formally established under Gov. Chandler. John Whisman selected as Executive Director.

Sept. 1959 - The Commission produced "Program 60—for a decade of Action for Progress in Eastern Kentucky". The thrust of this new initiative was to commence comprehensive long-term planning with an emphasis on a regional multi-county approach.

Jan. 1960 - Newly elected Gov. Bert Combs endorsed the "Program 60" recommendations and made them priority objectives of his Administration. Central to the program was federal-state-local cooperative action.

CHRONOLOGY OF THE DEVELOPMENT OF THE AREA DEVELOPMENT **DISTRICTS:** "REGIONALISM IN KENTUCKY"

1961 - Area Development Councils were organized in Kentucky in preparation for the delivery of promised Federal Aid under the Kennedy Administration. Governor Combs becomes Chairman of the newly created Council of Appalachian Governors (CAG). CAG was created to provide development in the entire Appalachian region using the KY model.

1963 - Governor Breathitt creates the Kentucky Area Program Office to oversee and collaborate with the Area Development Councils.

1965 - Governor Breathitt renames the office the Kentucky Area Development Office. The office was tasked with partitioning the state into multi-county regions to be called Local Development Districts.

1967 - Governor Breathitt issued Executive Order 67-233 formally setting the boundaries of the 15 Development Districts.

CHRONOLOGY OF THE DEVELOPMENT OF THE AREA DEVELOPMENT **DISTRICTS:** "REGIONALISM IN KENTUCKY"

1968 - Governor Nunn issues Executive Order 68-852 which designates the Kentucky Program Development Office as the state agency to carry out the Federal Intergovernmental Cooperation Act of 1968. This office replaces the Area Development Office.

Sept. 1969 - Governor Nunn issued Executive Order 69-653 designating the Kentucky Program Development Office as the central receiving agency for Federal Grants Administration and will serve as the clearing house for all community Development programs. The office will serve as the liaison agency to the 12 organized Area Development Districts who by this order are now designated as the Official Comprehensive Planning and Development Agency for their respective districts and counties. The 12 are: Purchase, Pennyrile, Green River, Lincoln Trail, Barren River, Lake Cumberland, Cumberland Valley, Kentucky River, Big Sandy, Gateway, Buffalo and FivCo Area Development District.

Nov. 1971 - Governor Nunn issued Executive Order 71-1267, which designated the remaining 3 districts as official Comprehensive Planning and Development agencies for their respective districts and counties. They are: Northern Kentucky, Jefferson Area and Bluegrass Area Development District.

July 1972 - Kentucky General Assembly with the support of Governor Wendell Ford passed enabling legislation establishing the Area Development Districts as public agencies.

It has been demonstrated for 50 years that this enduring concept has profoundly and positively impacted the efficiency and effectiveness of the local, state, and federal government's policy making and service delivery. The Area Development Districts contribution to the economic development of this Commonwealth this last half century is immeasurable. This legacy and the concept of "regionalism" is as viable today as it was in 1956. The vast improvements over this last half century in the quality of life for our fellow Kentuckians can be directly attributed to the "three-legged stool", the cooperative partnerships of the Federal, State, and Local governments facilitated by your Area Development Districts.

Revenue and Appropriation Differences

- Variances in classification and audit reporting
- Variances in how/by whom services are delivered
- Variances in funding mechanisms, staffing, salaries, populations and individuals served
- Anomalies in SPGE reporting and/or changes in services

EXAMPLES OF
REVENUE AND
APPROPRIATION
DIFFERENCES —
Financial Disclosure
Reports

- Page 37 BTADD Incorrect transfer of data from accounting software to SPGE report. Corrected version shows comparable ratio of admin to operations to other years reported.
- Page 46 NKADD 2015 SPGE data did not include passthru Revenues of \$11,541.627 and Appropriations of \$11,985,191.

EXAMPLES OF REVENUE AND APPROPRIATION DIFFERENCES — Indication of Reserves Interest Earned

- Page 51 BTADD Majority amount from RLF program and not from major reserves on hand earning interest.
 Ex. FY18 over 93% of total interest stemmed from RLF.
- Page 52 BTADD Interest is not cumulative. Loan portfolio for BTADD consisting of USDA Rural Development, Economic Development Administration, Appalachian Regional Commission and Ky Ag Development funds. RLF utilizes interest on loan payback for staffing and operations of the fund.
- Page 52 Purchase -\$20 million active loan portfolio, including USDA Rural Development, Economic Development Administration, and SBA funds. More than 50% of the Purchase ADD's Reserves Interest Earned is interest income earned on the loan portfolio and is restricted for use in the loan programs

EXAMPLES OF REVENUE AND APPROPRIATION DIFFERENCES — Indication of Reserves Carryover

Pages 53 and 54

- BRADD FY 16 The \$236,452.18 classified as carryover on the SPGE report, came from a prior year fund balance to cover unexpected expenses. The CHFS-DAIL required BRADD to repay unallowable expenses for past expenditures dating back to 2008-2013 (approximately \$83,000, unrestricted). A large portion of the remaining balance reflects cuts from DAIL. Instead of cutting programs, BRADD absorbed the cuts and utilized (restricted) fund balance from prior years to continue providing aging services.
- FY 17 \$52,202.41. The Kentucky Department of Workforce Investment required BRADD to repay unallowable expenses. As a result of that action, BRADD utilized local fund balance from prior years to cover the majority of the expenditure. (Unrestricted funds)
- BTADD –Difference in terminology w SPGE report and classification from audit. Cash categorized as carryover by SPGE to some degree is float for the many programs that are reimbursement based. (see handout for more details) Carryover is not cumulative.
- GRADD Carryover consists of cash at the beginning of the year: \$2,700,730 unrestricted local funds; \$2,048,873 restricted funds (Revolving Loan Fund and Health Insurance reserve)

EXAMPLES OF REVENUE AND APPROPRIATION DIFFERENCES — Indication of Debt Service

Pages 55 and 56

- CVADD Refunded construction bond issue/building improvements.
- FIVCO Debt for building construction
- NKADD Financing/debt for construction of building addition.

JOINT FUND ADMINISTRATION PROGRAM DISTRIBUTIONS

Page 60

 KIPDA – JFA Distribution – 2013. KIPDA did not receive EDA federal dollars. This was the last year before KIPDA received EDA designation and therefore was not eligible for federal EDA dollars at the time. KIPDA still completed the work elements, such as the CEDS document.

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JOINT FUND ADMINISTRATION PROGRAM DISTRIBUTIONS

- Increases and decreases per ADD over the course of the graph correspond with the change in JFA distribution of funds by the Department for Local Government (DLG).
- JFA Funds to ADDS decreased recently w DLG now keeping a 5% admin fee on EDA funds (\$50,000) and keeping previous SPGE funding (\$75,000) inhouse.
- Most recent biennium budget addressed the disparities by specifying a formula. Further clarification by General Assembly in 2019. Allows for measures to maximize federal funds via agreement by ADDs. Does not require a dollar-for-dollar match.
- All ADDs receive EDA, CDBG and State funding. Nine (9) ADDs receive Appalachian Regional Commission (ARC) funds which are matched w JFA funds. Three (3) ADDs receive Delta Regional Authority (DRA) funds (\$2,000 per county), which are not matched w JFA funds."

ADD Boards – Citizen Member Selection

County and city officials in each county select citizen members.

ADD by-laws provide for the number and method of selecting citizen members, in accordance with KRS 141A.060 and 109 KAR 5:010

- 109 KAR 5:010 The elected officials provided for in subsections (1) and (2) of this section shall select citizen members in accordance with the following:
- (a) A citizen member must reside within the area development district and shall have demonstrated an interest in regional development and/or public service.
- (b) The distribution should be fair among the counties of the area development district.
- (c) Provision shall be made for reasonable representation of the larger minority group(s), females, low-income citizens and the principal economic interests of the district. Such representation may be provided by elected officials or citizen members of the board.
- (3) Citizen board membership shall terminate on expiration of a term, board acceptance of a resignation, or change of residence to locality outside the area development district.
- (4) The board of directors may declare a citizen membership vacant when a member has failed, without reason, to attend three (3) successive regular or special meetings of the board.

	Top 10 Programs Among ADDS	Brief Scope of Work of Description of Work	Restrictions on Funds
1	Medicaid Waiver (PDS)	Provides services to Medicaid recipients whom traditionally are under the care of Home Health Agencies. Enables individuals to hire their own care givers to provide personal in-home care, homemaking, respite and adult day.	Medicaid eligibility. Fee for service program.
2	Workforce	Strengthen and improve the nation's public workforce system with significant barriers to employment into high quality jobs and careers	Allowable costs are defined in Public Law 113-128 WIOA Act of 2014 and its'corresponding regulations
3	Title III	Education and assitance to elderly, home delivered and congregate meals, caregiver services, and health promotion.	Area plan, cost allocation plan, client eligibilty, monthly reports
4	Homecare	Provide homecare services to physically or functionally imparied 60+ who are at risk of institutionalization	Area plan, cost allocation plan, client eligibilty, monthly reports
5	Joint Funding Agreement (JFA)	Develop and implement Comprehensive Economic Development Strategies (CEDS), administer the KY Community Development Block Grant (CDBG) program, provide technical assistance, community development and planning assistance to local units of government.	Quarterly Activity and Financial Reports, Submittal of Cost Allocation Plan, SPGE reporting.
6	Transportation Planning	Analysis of transportation systems and data, evaluations of the needs in their region and coordination of public input for the KY Statewide Transportation Plan.	Allowable costs set forth in Federal Aid Policy Guide and Subpart E of 2CFR Part 200 10% Match required from local funds.
7	Grant administration	Environmental review, request for payments, bid documents, construction contracts, inspections, monitoring, compliance with labor standards, and fiduciary services.	Certified CDBG Administrator, Federal and State Procurement requirements
8	KIA	Support services for the area water management planning council, regionalize water systems and provide water and sewer technical assistance	Semi-annual performance and financial reports, bi-monthly council meetings, annual system visits, updates to local utility system maps.
9	ARC	Provide planning, community and economic services, technical assistance to improve the quality of life in arc regions	Quarterly reports, SEFA 7, SPGE, cost allocation submission. One-for-one match from state or local dollars.
10	AmeriCorps	Recruit, train and supervise AmeriCorps members to meet critical community needs in education, disaster services, health, service to veterans and military families, etc	Member timelogs, report service activities, progress reports

Top 10 Expenditures - All ADDs

		<u>Total</u> Expenditures		
	Top 10 Programs All ADDS	(Millions)	<u>Source</u>	Contractor Name
1	Medicaid Waiver (PDS Program)	\$65.40	Federal/State/Local	PDS participants hire local providers.
2	Workforce	\$33.74	Federal	ResCare, KCTCS
3	Title III	\$31.81	Federal/State/Local	Fiscal Courts, Senior Centers
4	Homecare	\$21.10	Federal/State/Local	Fiscal Courts, Senior Centers
5	Joint Funding Agreement (JFA)	\$3.94	Federal/State/Local	n/a
6	Transportation Planning	\$2.03	Federal/State/Local	n/a
7	Grant administration	\$1.89	Federal/Local	n/a
8	KIA	\$0.98	State/Local	n/a
9	ARC	\$0.74	Federal/State/Local	n/a
10	AmeriCorps	\$0.72	Federal/Local	n/a
	TOTAL:	\$162.33		

Barren River

	Top 10 Program	Direct	Indirect	Subcontract	# of ADD Staff (FTE)
1	PDS	\$609,243	\$210,480	\$3,142,057	12.05
2	Title III	\$282,551	\$93,598	\$1,405,105	4.92
3	Homecare	\$300,924	\$104,273	\$723,555	5.89
4	JFA	\$112,413	\$37,746		1.86
5	PCAP	\$26,831	\$9,177	\$134,418	0.5
6	Transportation Planning	\$45,190	\$15,652		0.67
7	ARC	\$61,740	\$21,072		1.01
8	KIA	\$57,800	\$17,986		0.9
9	Grant Administration	\$33,387	\$10,455		0.49
10	Centerlines	\$17,188	\$5,837		0.23

Big Sandy

	Top 10 Program	Direct	Indirect	Subcontract	# of ADD Staff (FTE)
1	Kentucky Works	\$1,578,066	\$303,834	\$501,764	27
2	Title III	\$258,245	\$54,560	\$1,997,884	4
3	Abandoned Mine Lands	\$6,212	\$1,206	\$1,005,756	0.2
4	Homecare	\$664,658	\$141,326	n/a	17
5	PDS	\$363,204	\$77,022	\$17,085	7
6	UMWA	\$274,326	\$57,573	n/a	3
7	JFA	\$197,954	\$43,103	n/a	3.5
8	Community of Hope	\$20,516	\$4,581	\$198,056	0.5
9	Grant Administration	\$53,134	\$10,089	\$72,306	1
10	Community Coll. For Children	\$96,590	\$18,223	\$2,260	2.75

Bluegrass

	Top 10 Program	Direct	Indirect	Subcontract	# of ADD Staff (FTE)
1	PDS	\$2,379,759	\$627,423	\$14,167,010	33.7
2	Workforce	\$474,569	\$188,242	\$4,050,745	7.5
3	Title III	\$317,955	\$92,526	\$3,079,079	3.5
4	Homecare	\$183,059	\$53,769	\$1,628,129	1.6
5	JFA	\$302,108	\$104,405	\$0	4.25
6	Transportation Planning	\$123,712	\$44,818	\$0	1.9
7	KIA	\$118,702	\$39,779	\$0	1.6
8	Non-Medicaid ADRC	\$90,055	\$29,517	\$0	0.9
9	ARC	\$83,371	\$29,063	\$0	1
10	Grant Administration	\$42,565	\$13,631	\$0	0.75

Buffalo Trace

	Top 10 Program	Direct	Indirect	Subcontract	# of ADD Staff (FTE)
1	Workforce	\$4,680,246	\$106,025	\$4,250,329	6.43
2	Title III (and other AAA)	\$892,057	\$76,937	\$597,018	5.31
3	PDS	\$612,360	\$161,964	\$0	12.46
4	Agriculture Services	\$530,194	\$9,219	\$497,358	0.69
5	Grant Administration	\$172,240	\$45,392	\$0	2.36
6	JFA	\$136,680	\$36,756	\$0	1.78
7	Collaborations for Children	\$156,829	\$3,724	\$143,389	0.16
8	Transportation	\$73,715	\$18,240	\$0	1.01
9	Special Services - Loan Administration	\$56,791	\$10,999	\$0	0.90
10	ARC	\$37,561	\$10,101	\$0	0.49

Cumberland Valley

	Top 10 Program	Direct	Indirect	Subcontract	# of ADD Staff (FTE)
1	PDS	\$335,741	\$108,401	\$2,300,360	5.00
2	Title III	\$1,295,633	\$75,458	\$1,032,707	5.00
3	Workforce	\$114,771	\$35,786		2.00
4	Homecare	\$949,257	\$68,685	\$761,144	3.00
5	Title V	\$158,125	\$2,364	\$150,546	0.40
6	Nutrition Services Incentive Program (NSIP)	\$0	\$98,502	\$98,502	0.00
7	Brownfields Assessment	\$82,367	\$0	\$82,367	0.20
8	JFA	\$178,863	\$62,253	\$0	3.50
9	Transportation Planning	\$72,497	\$21,302	\$0	1.25
10	KIA	\$51,092	\$16,167	\$0	1.50

FIVCO

	Top 10 Program	Direct	Indirect	Subcontract	# of ADD Staff (FTE)
1	Title III	\$ 119,631.31	\$ 23,228.00	\$ 798,968.00	1.25
2	PDS	\$ 167,786.90	\$ 58,617.00	\$ 691,923.00	3.43
3	Workforce	\$ 686,705.18	\$ 167,665.00	\$ -	13.21
4	Homecare	\$ 530,085.00	\$ 161,014.00	\$ 56,428.00	10.5
5	JFA	\$ 163,101.44	\$ 56,427.00	\$ -	3.55
6	Transportation Planning	\$ 51,181.76	\$ 17,601.00	\$ -	1
7	KIA	\$ 37,675.64	\$ 12,371.00	\$ -	0.68
8	Ombudsman	\$ -	\$ -	\$ 28,722.00	0
9	SHIP	\$ 865.51	\$ 315.50	\$ 22,376.00	0.01
10	Revolving Loan Fund	\$ 9,776.59	\$ 2,815.00	\$ -	0.12

Gateway

	Top 10 Program	Direct	Indirect	Subcontract	# of ADD Staff (FTE)
1	Title III	\$301,751	\$62,249	\$260,082	0.29
2	Homecare	\$252,874	\$96,402	\$45,294	4.61
3	PDS	\$191,870	\$107,847	\$0	3.34
4	Personal Care (Aging)	\$16,701	\$9,925	\$239,635	0
5	JFA	\$149,147	\$88,677		1.71
6	Hazard Mitigation	\$51,306	\$31,165		0.84
7	KIA	\$39,652	\$22,744		0.71
8	Grant Administration	\$39,486	\$21,074		0.81
9	ARC	\$34,916	\$20,346		0.71
10	Transportation Planning	\$32,727	\$19,461		0.56

Green River

	Top 10 Program	Direct	Indirect	Subcontract	# of ADD Staff (FTE)
1	PDS	\$1,022,736	\$320,384	\$6,384,958	18.5
2	Title III	\$382,799	\$172,765	\$1,180,386	5.3
3	Workforce	\$359,104	\$89,553	\$704,174	4.5
4	Homecare	\$281,751	\$81,049	\$509,745	3.9
5	AmeriCorps	\$89,423	\$28,048	\$604,865	1.75
6	Personal Care Attendant Program	\$53,950	\$17,357	\$289,903	0.75
7	Community Collaboration for Children	\$27,241	\$6,001	\$225,034	0.3
8	JFA	\$154,452	\$49,746		2.25
9	Grant Administration	\$138,060	\$42,136		2
10	Transportation Planning	\$98,700	\$32,622		1.5

KIPDA

	Top 10 Program	Direct	Indirect	Subcontract	# of ADD Staff (FTE)
1	MPO Operations	\$1,180,177	\$298,042		14.15
2	Title III	\$564,382	\$125,656	\$2,625,945	5.97
3	Homecare	\$960,535	\$284,869	\$2,168,263	15.11
4	PDS	\$1,516,716	\$411,534	\$7,371,649 Client Costs	24.86
5	In-Person Assisters	\$621,785	\$106,140	\$0	5.34
6	ADRC Medicaid and MIPPA	\$113,625	\$31,624	\$0	1.74
7	Title VII & State LTCO	\$2,288	\$0	\$190,322	0.00
8	JFA	\$143,876	\$41,395	\$0	1.73
9	Transportation Planning	\$69,489	\$20,843	\$0	0.90
10	Regional Rideshare Program	\$916,244	\$97,478	\$0	6.00

Kentucky River

	Top 10 Program	Direct	Indirect	Subcontract	# of ADD Staff (FTE)
1	PDS	\$835,667	\$244,445	\$3,620,927	12.5
2	Title III	\$567,244	\$129,720	\$1,180,309	7.25
3	Homecare	\$437,501	\$139,583		7
4	JFA	\$156,259	\$79,426		4
5	Title V SCSEP	\$84,945	\$17,912	\$223,018	1
6	Brownfields Grant	\$12,210	\$3,510	\$226,799	0.25
7	Grant Administration	\$82,876	\$12,409		2.5
8	ARC	\$94,059	\$33,252		2.5
9	Transportation Planning	\$87,067	\$29,322		1.5
10	KIA	\$70,992	\$22,974		1.25

Lake Cumberland

	Top 10 Program	Direct	Indirect	Subcontract	# of ADD Staff (FTE)
1	Workforce	\$4,280,267	\$338,976	\$337,038	20
2	Title III	\$1,200,021	\$207,057	\$60,104	14
3	Homecare	\$846,606	\$98,293	\$393,110	7
4	PDS	\$654,356	\$177,040		8
5	ARC	\$215,932	\$59,959		3
6	JFA	\$176,205	\$57,110		1.5
7	Leader In Me	\$138,361	\$0	\$138,361	0.5
8	KIA	\$95,244	\$28,092		1.5
9	Transportation Planning	\$93,144	\$27,392		1.5
10	KY Caregiver	\$96,230	\$11,614		1

Lincoln Trail

	Top 10 Program	Direct	Indirect	Subcontract	# of ADD Staff (FTE)
1	PDS	\$338,526	\$135,067	\$1,780,597	5.05
2	Workforce	\$545,417	\$193,254	\$925,572	5.96
3	Aging Title III	\$170,405	\$67,357	\$1,087,631	1.71
4	Homecare	\$315,646	\$122,629	\$689,932	4.18
5	Personal Care Attendant Program	\$33,114	\$14,096	\$517,536	0.29
6	JFA	\$135,813	\$56,636	\$0	1.32
7	Metropolitan Planning Organization	\$97,176	\$40,246	\$0	0.95
8	Transportation Planning	\$69,726	\$28,320	\$0	0.83
9	Lincoln Heritage Scenic Byway	\$0	\$0	\$96,445	0.00
10	KIA	\$64,125	\$25,491	\$0	0.61

Northern Kentucky

	Top 10 Program	Direct	Indirect	Subcontract	# of ADD Staff (FTE)
1	PDS	\$1,079,260	\$161,675	\$5,764,916	19
2	Workforce	\$890,846	\$130,603	\$2,009,779	23
3	Title III	\$534,516	\$76,158	\$1,478,823	4
4	Local Programs	\$773,644	\$52,951	\$664,537	6
5	Homecare	\$547,824	\$80,806	\$814,511	10
6	Commodities	\$129,128	\$11,953	\$619,094	1
7	CDO – FMA	\$331,141	\$43,793		5
8	RLF Loan Program	\$16,500	\$2,449	\$237,800	0.25
9	JFA	\$174,499	\$26,922		3
10	Transportation Planning	\$88,986	\$14,114		1

Pennyrile

	Top 10 Program	Direct	Indirect	Subcontract	# of ADD Staff (FTE)
1	Workforce	\$1,004,034	\$334,443	\$2,112,961	9.44
2	Title III	\$207,881	\$67,390	\$1,169,315	2.14
3	PDS	\$1,281,060	\$103,272		4.06
4	Veterans Directed Care Program	\$920,508	\$30,631		1.13
5	Homecare	\$148,222	\$52,388	\$739,283	1.54
6	Trade Adjustment Assistance	\$0	\$0	\$877,506	0
7	Office of Economic Adjustment - Fort Campbell Strong	\$40,144	\$13,429	\$442,670	0.28
8	Grant Administration	\$226,301	\$84,486	\$0	1.87
9	JFA	\$176,034	\$64,772	\$0	1.8
10	Title V	\$10,088	\$3,428	\$182,056	0.08

Purchase

	Top 10 Program	Direct	Indirect	Subcontract	# of ADD Staff (FTE)
1	PDS	\$899,431	\$330,037	\$4,826,837	16.4
2	Title III	\$270,337	\$74,759	\$964,070	3.5
3	Homecare	\$246,465	\$93,746	\$466,870	5.6
4	Workforce	\$489,264	\$188,738		9.1
5	Local Food Bank	\$188,858	\$18,937		1.9
6	JFA	\$128,101	\$48,961		1.1
7	Title V SCSEP	\$9,258	\$3,682	\$141,821	0.2
8	Nutrition Services Incentive Program (NSIP)	\$0	\$0	\$120,466	0
9	Regional Transportation Planning	\$68,650	\$26,296		0.9
10	Section 5303-5304 Transit	\$63,333	\$24,418		0.5