

Kentucky G.R.A.N.T. Program

Government Resources Accelerating Needed Transformation

House Bill 9

\$3 TRILLION IN FEDERAL FUNDING OVER NEXT 5 YEARS

- ARPA: \$1.9T, Infrastructure Law: \$1.2T, CHIPS Act: \$280B, Inflation Reduction Act: \$394B
- Focus areas are broad, including: economic development, education and workforce development, infrastructure, housing supply and remediation, agriculture, health and safety, technology R&D, clean energy investment, brownfield cleanup, STEM education, and more.
- **Kentucky's rural communities are being prioritized for these once-in-a-generation funds**
 - **\$185 B+** of competitive federal funding open as of 3/2/23* and prioritized for rural and "energy communities"
 - **\$65 B** for 100% broadband coverage and affordability
 - **\$1 B** over 5 years to support the Appalachian Regional Commission and its POWER grant program

KENTUCKY IS PRIORITIZED NATIONALLY FOR FUNDING

An Interagency Working Group (IWG) of 12 federal agencies has identified 25 “energy” communities across the nation to prioritize for federal investment.

Kentucky has 2 of the top 10 areas – a major opportunity.

Rank	Bureau of Labor Statistics Area Name
1	Southern WV Non-metro Area
2	East Kentucky Non-metro Area
3	Wheeling, West Virginia-Ohio
4	Southwest Virginia Non-metro Area
5	Alaska Non-metro Area
6	West Kentucky Non-metro Area

- **East KY Counties:** Bell, Breathitt, Carter, Clay, Elliott, Floyd, Harlan, Jackson, Johnson, Knott, Lawrence, Lee, Leslie, Letcher, Magoffin, Martin, Morgan, Owsley, Perry, Pike, and Wolfe
- **West KY Counties:** Ballard, Breckinridge, Caldwell, Calloway, Carlisle, Crittenden, Fulton, Graves, Grayson, Hickman, Hopkins, Livingston, Lyon, Marshall, McCracken, Muhlenberg, Ohio, Todd, Union, and Webster

“

We are in a unique moment.

Multiple rounds of federal stimulus means that billions of dollars are being made available for small towns across the country...But getting access to all this funding is hard.”

- Tom Barkin, President, Federal Reserve Bank of Richmond,
Investing in Rural America Conference, 3/30/22

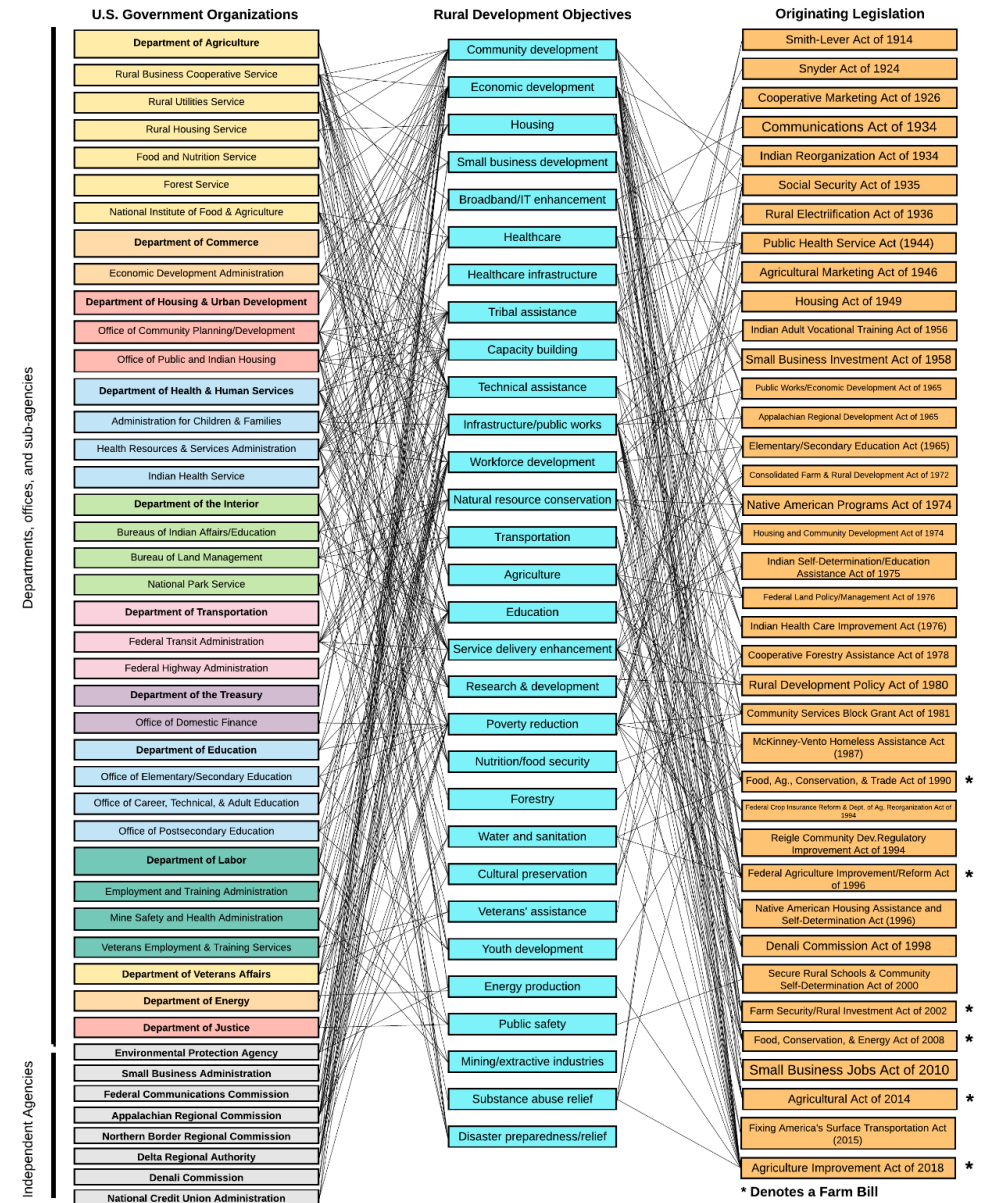
SYSTEM CHALLENGES

- Navigating the **federal funding system is complex**, especially for nonprofits and communities without technical experts on staff
- Example (right): federal funding for economic and community development is a tangled web of **400 programs, spanning 13 departments, 10 agencies, and 50 offices***
- **Cash match of 20%-51%** is typically required for federal grants, a **significant barrier in rural areas**

*SOURCE: Pippa, A., & Geismar, N. (2020). Brookings Analysis of the 2019 Catalog of Federal Domestic Assistance. Reimagining Rural Policy. Retrieved 2023, from <https://www.brookings.edu/research/reimagining-rural-policy-organizing-federal-assistance-to-maximize-rural-prosperity/>

Federal Development Assistance for Rural and Tribal Communities

While USDA is technically charged with directing federal rural policy, programs that promote rural and tribal development are spread widely throughout the government. No comprehensive and integrated strategy exists. As shown below, the array of legislation, directives, and programs meant to help these communities leads to significant confusion and fragmentation.



“

The most economically distressed communities are the least likely to apply for funding and the least likely to have the local resources to address inequity.”

- *Philanthropy's Rural Blind Spot*, Stanford Social Innovation Review,
Spring 2021

BARRIERS TO GRANT FUNDING IN KENTUCKY



We don't have the financial resources in our budget to come up with a match, or even to pay for a grant writer or experts to develop plans and designs for new projects. It's in our budget to survive. How do small cities with the same needs as larger cities access federal funding when all this is required?

- Mayor Jerry Fultz, Wayland KY,
Population 389

Top Barriers to Grant Funding Reported by Kentucky Nonprofits
We need help "identifying relevant grant opportunities"
We need help "writing grant proposals"
We need help "training on the grant application process"
We need help "getting 'grant ready' or planning a project"
We need help "reviewing and editing grant proposals"
We need help "meeting cash match or cost-sharing"
We need help "building relationships" with local/state/fed

SOURCE: Surveys of 88 nonprofit respondents from Kentucky in Dec 2022 & Feb 2023
Barriers selected by > 50% of those surveyed are listed.

Solutions from other states:

1. Create pools of matching funds
2. Help communities write grants
3. Build rural capacity to develop projects

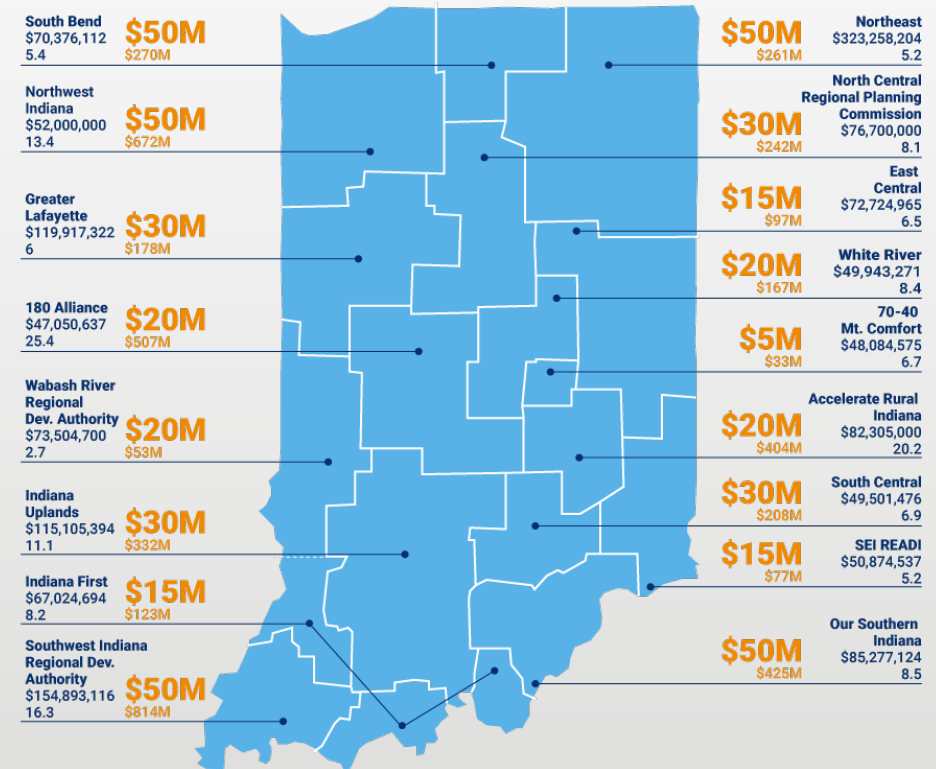
WEST VIRGINIA & OHIO TOOK ACTION IN 2022

- In 2022, **West Virginia** passed House Bill 4479 which created a “Grant Facilitation Commission”
- West Virginia may invest **\$250M** into their grant matching fund
- The program will assist with the **grant writing, matching dollars, and technical assistance** needed to capture federal funds.
- In 2022, **Ohio** passed House Bill 377 to create the “Appalachian Community Grant Program”
- Ohio has invested **\$500M** into their grant program, launched in Nov 22
- The program will **dedicate \$8M to technical assistance grants**, with each of Ohio’s 32 Appalachian counties receiving \$250,000

INDIANA'S 2021 PROGRAM YIELDING \$20 TO \$1


- In 2021, Indiana passed legislation and invested \$500M into their Regional Economic Acceleration + Development Initiative (READI)
- **Leverage was almost 20:1 with Indiana's \$500 M leveraging another \$9.86 B of federal and private investment ***
- Applications far exceeded the allotted \$500M, and Governor Holcomb has said he will seek a second round of funding in 2023, saying **"It's truly a force multiplier..." ***

REQUEST AMOUNT and LEVERAGE
AWARD AMOUNT



SOURCES:

- Indiana READI Overview. Indiana Economic Development Corp. (n.d.). Retrieved 2023, from <https://www.iedc.in.gov/program/indiana-readi/overview>
 - Ketterer, E. (2021, December 10). Holcomb to seek more funding for readi regional grants amid overwhelming interest. Indianapolis Business Journal. Retrieved 2023, from <https://www.ibj.com/articles/holcomb-will-seek-more-funding-for-readi-regional-grants-amid-overwhelming-interest>



Kentucky must consider similar actions to be competitive with other states.

HB 9 creates a grant matching pool for rural communities, leveraging dollars efficiently against federal funds and encouraging community collaboration.

Thank you!



Grant Ready Kentucky is a charitable program, fiscally sponsored by Blue Grass Community Foundation, that provides grant readiness and capacity-building services to Kentucky nonprofits. The GRK fund is used exclusively for charitable programming and excludes any legislative activities.