1	AN ACT relating to economic relief for local communities of the Commonwealth
2	and declaring an emergency.
3	Be it enacted by the General Assembly of the Commonwealth of Kentucky:
4	→ Section 1. KRS 154.14-020 is amended to read as follows:
5	As used in this subchapter:
6	(1) "Cabinet" means the Cabinet for Economic Development;
7	(2) ["Commission" means the GRANT Commission established in KRS 154.14-080;
8	(3)]"County population ranking" means the score of each county determined by the
9	cabinet under KRS 154.14-050(7);
10	(3)[(4)] "Eligible grant applicant [recipient]" means[a grant applicant that is] a county
11	or city governing body, any entity organized in Kentucky providing public services
12	through law enforcement, fire, emergency medical, rescue, waterfront
13	development, a water utility, or a waste water utility to persons domiciled in
14	Kentucky, or <u>a</u> nonprofit charitable organization organized under 26 U.S.C. sec.
15	501(c)(3) and engaged in public benefit improvements;
16	(4)[(5)] "Eligible project" means a project that:
17	(a) Meets the requirements for a federal grant offered or administered by a
18	qualifying federal entity that:
19	1. Requires a local match; or
20	2. Is a Delta Regional Authority project that includes language explicitly
21	stating that a local match will make an application more competitive;
22	(b) Benefits the public or substantially benefits the public and satisfies the
23	evaluation criteria in KRS 154.14-050 and that is initiated on:
24	1. Publicly owned property;
25	2. Property to be acquired, which comes with either a:
26	a. Legally binding letter of intent or option for the sale to an eligible
27	grant <i>applicant</i> [recipient]; or

1			b. Legally binding sale agreement for the sale to an eligible grant
2			applicant[recipient]; or
3			3. Private property on which a project is located that is in the public
4			interest and for a public purpose and that benefits an eligible
5			community; and
6		<u>(c)</u> [((b)] Requires local matching funds based on the county population ranking
7			as provided in KRS 154.14-050;
8	<u>(5)</u> {((6)]	"Eligible use" means the authorized purpose for which an awarded grant may
9		be	used depending on the source of funds from the <u>federal</u>
10		gove	ernment[Commonwealth];
11	<u>(6)</u>	''GF	RANT Program" means the Government Resources Accelerating Needed
12		Trai	nsformation Program established in Section 2 of this Act;
13	(7)	<u>''GF</u>	RANT Program fund" means the fund established in Section 5 of this
14		<u>Act</u> ["Interagency Working Group" means the Interagency Working Group on Coal
15		and	Power Plant Communities and Economic Revitalization established by
16		Pres	idential Executive Order 14008, issued on January 27, 2021];
17	(8)	"Poj	pulation density":
18		(a)	Means the number of persons per square mile of a county;
19		(b)	Is calculated by dividing the total county population by the square miles in the
20			county;
21		(c)	Is determined by using the population estimate from the most recent available
22			five (5) year American Community Survey as published by the United States
23			Census Bureau; and
24		(d)	Is used to rank each county in descending order, with the county having the
25			largest population density receiving a rank of one (1) and the county with the
26			smallest population density receiving a rank of one hundred twenty (120);
2.7	(9)	''Oı	nalifying federal entity" includes the following:

1		(a) The Domestic Policy Council;
2		(b) The Office of Management and Budget;
3		(c) The United States Department of Energy;
4		(d) The United States Department of the Treasury;
5		(e) The United States Department of the Interior;
6		(f) The United States Department of Agriculture;
7		(g) The United States Department of Commerce;
8		(h) The United States Department of Labor;
9		(i) The United States Department of Health and Human Services;
10		(j) The United States Department of Housing and Urban Development;
11		(k) The United States Department of Transportation;
12		(l) The United States Department of Education;
13		(m) The United States Department of Homeland Security;
14		(n) The United States Environmental Protection Agency;
15		(o) The United States Department of the Army;
16		(p) The Appalachian Regional Commission;
17		(q) The Delta Regional Authority;
18		(r) The National Science Foundation; and
19		(s) Any federal agency, department, or entity that is the successor of an entity
20		listed in paragraphs (a) to (r) of this subsection;
21	<u>(10)</u>	"Regional project" means an eligible project that is proposed by eligible grant
22		applicants [recipients] residing or having a primary business address in different
23		counties in this Commonwealth or by eligible grant subrecipients as part of a
24		multistate project who submit a regional [single] grant application; and
25	<u>(11)</u> [(10)] "Ten (10) year percentage change in population":
26		(a) Means the percentage change in population within a county;
27		(b) Is determined by comparing the population estimate from the most recent

1			available five (5) year American Community Survey as published by the
2			United States Census Bureau to the same survey ten (10) years prior to the
3			most recent available survey; and
4		(c)	Is used to rank each county in descending order, with the county having the
5			largest positive percentage change in population receiving a rank of one (1)
6			and the county with the largest negative percentage change receiving a rank of
7			one hundred twenty (120).
8		→ S	ection 2. KRS 154.14-030 is amended to read as follows:
9	(1)	The	Government Resources Accelerating Needed Transformation Program[of
10		2024	1] is hereby established under the cabinet[, subject to the approval of the
11		com	mission established in KRS 154.14-080]. The cabinet's administration of the
12		prog	gram includes but is not limited to the following:
13		(a)	Creating and making available a standardized grant application and a regional
14			grant application for the obligation of state funds under this subchapter to
15			apply for matching federal funds;
16		(b)	Developing a standardized scoring system pursuant to this section and KRS
17			154.14-050;
18		(c)	Reviewing and processing [the]applications submitted to the cabinet by[the
19			<pre>proposed] eligible grant applicants[recipients to the cabinet];</pre>
20		(d)	Verifying <u>that</u> [and determining whether a match applicant is] an eligible grant
21			applicant[recipient that] is seeking a federal grant for an eligible project;
22		(e)	Evaluating the project proposed by the match application in accordance with
23			the evaluation criteria set forth in this section and KRS 154.14-050;[]
24		(f)	Scoring each [match]application pursuant to the scoring system described in
25			KRS 154.14-050;
26		(g)	Ranking each match application:
27			1. To prioritize the greatest return on investment and relative positive

1			impact of the eligible project; and
2			2. Based on the project evaluation and the project score described in this
3			section and KRS 154.14-050 <u>:</u> [.]
4		(h)	<u>Identifying eligible grant</u> [Compiling a list of proposed match] applicants
5			whose eligible project demonstrates a high level of investment potential if a
6			match is provided, as revealed by the evaluation, scoring, and county
7			population ranking process described in this section and KRS 154.14-050;
8		(i)	Providing detailed feedback to the <u>eligible grant</u> [match] applicants after the
9			project evaluation and project score are completed and the [match]application
10			is approved or denied by the cabinet, unless otherwise prohibited by federal or
11			state law;
12		(j)	Obligating matching funds to selected eligible grant applicants [recipients];
13			<u>and</u>
14		(k)	Compiling the monthly and annual reports [report] to be submitted under
15			KRS 154.14-070[; and
16		(1) —	Compiling the annual report to be submitted under KRS 154.14-070].
17	(2)	The	cabinet shall determine the terms, conditions, and requirements of grant
18		awar	eds from the GRANT Program [application for match funds awarded from the
19		Gove	ernment Resources Accelerating Needed Transformation Program of 2024]
20		fund	. The cabinet may establish procedures and standards for the review and
21		appro	oval of <u>the</u> obligation of match funds through the promulgation of
22		admi	nistrative regulations in accordance with KRS Chapter 13A[. By December 1,
23		2024	, the cabinet shall submit recommended legislative changes to the Legislative
24		Rese	arch Commission for referral to and for consideration by the Senate Standing
25		Com	mittee on Appropriations and Revenue and the House Standing Committee on
26		Appı	copriations and Revenue or the Interim Joint Committee on Appropriations and
27		Reve	onue] .

1	(3)	The secretary of the cabinet shall have the authority to hire staff, contract for
2		services, expend funds, and operate the normal business activities of the GRANT
3		<u>Program</u> [Government Resources Accelerating Needed Transformation Program of
4		2024]. Notwithstanding KRS Chapter 45A, the cabinet may contract with a third
5		party for implementation and administration of the program.
6	(4)	The <u>GRANT Program</u> [Government Resources Accelerating Needed
7		Transformation Program of 2024 as provided in this subchapter] shall sunset on
8		December 31, 2026, unless authorized by the General Assembly to continue its
9		work for a specified period of time.
10	(5)	The Kentucky Council of Area Development Districts and local area development
11		districts shall assist eligible grant applicants [recipients] in identifying available
12		federal grant opportunities and preparing federal grant applications and <u>GRANT</u>
13		<u>Program</u> [Government Resources Accelerating Needed Transformation Program of
14		2024] applications. [Nothing in]This subsection shall <u>not</u> prevent any public
15		agency or nonprofit entity from assisting eligible grant applicants [recipients] in
16		identifying available federal grant opportunities and preparing federal grant
17		applications and <u>GRANT Program</u> [Government Resources Accelerating Needed
18		Transformation Program of 2024] applications.
19	(6)	Upon request of the local area development districts, a local public institution in the
20		postsecondary education system as defined in KRS 164.001 shall assist the eligible
21		grant applicants [recipients] in their area by including but not limited to:
22		(a) Identifying opportunities for federal grants;
23		(b) Rendering supplemental support for federal grant applications on behalf of the
24		communities including but not limited to providing data and analysis for the
25		federal grant application; or
26		(c) Acting as the contact person for the local public institution to the Kentucky
27		Council of Area Development Districts and to the area development district in

1			which the local public institution is located and updating the contact person
2			information.
3		→ S	ection 3. KRS 154.14-040 is amended to read as follows:
4	(1)	(a)	To participate in the <u>GRANT Program</u> [Government Resources Accelerating
5			Needed Transformation Program of 2024], eligible grant applicants shall
6			submit either a standardized or a regional grant application to the cabinet for
7			consideration by the commission].
8		(b)	The cabinet shall review applications monthly. Each monthly review shall
9			include all applications submitted but not yet reviewed by the first day of
10			each month.
11		<u>(c)</u>	The cabinet shall provide a preliminary evaluation of each application
12			submitted by the first day of the month [the application] within fourteen (14)
13			<u>calendar</u> [five (5) business] days of <u>the first day of the month</u> [receipt of the
14			application]. As part of the preliminary evaluation, the cabinet shall consider
15			the applicant's eligibility and the application [the following:
16			1. Applicant's eligibility when evaluated against the requirements of the
17			federal grant; and
18			2. Application] completeness when evaluated against the requirements of
19			the federal grant.
20		<u>(d)</u> [(The cabinet shall provide a final decision of approval or denial on the
21			application by the last day of the month in which the application was
22			preliminarily reviewed. If an application is denied, the cabinet may provide
23			feedback about any possible corrective action, in which case the applicant
24			may resubmit the application for reconsideration after taking the
25			recommended corrective action[within twenty one (21) calendar days of
26			receipt of the application].
27	(2)	If a	grant application is approved, the recipient[selected as an eligible match

1		recipient approved under this subchapter, it] shall comply with any match
2		[agreement] and reporting requirements established [deemed necessary] by the
3		cabinet to verify that the awarded funds will be or have been expended on to go
4		toward] an eligible use.
5	(3)	The obligation of funds for an approved project shall not remain obligated longer
6		than twelve (12) months for that project. An approved project may receive a six
7		(6) month extension of this deadline from the cabinet.
8	<u>(4)</u>	If the <u>grant</u> [selected match] recipient fails to comply with subsection (2) of this
9		section or uses the awarded funds[match money] for any purpose other than an
10		eligible use, the <i>grant</i> [selected eligible match] recipient shall forfeit and be liable to
11		the cabinet for the full award amount.
12		→ Section 4. KRS 154.14-050 is amended to read as follows:
13	(1)	[The cabinet shall identify and certify the areas for grant funding designated by the
14		United States Department of Housing and Urban Development, Delta Regional
15		Authority, or Interagency Working Group as a priority for obligation of match
16		funds. Any area in Kentucky that is eligible for federal grant resources but is not a
17		United States Department of Housing and Urban Development, a Delta Regional
18		Authority, or an Interagency Working Group designated community, may be
19		eligible for obligation of state funds under this section.]The cabinet shall not
20		approve a project unless it finds that the project is in the public interest and the
21		grant funds will be used for a public purpose. For purposes of this subsection,
22		projects that are in the public interest and for a public purpose can include a
23		derivative private benefit, if the cabinet finds the following:
24		(a) The project will enhance a community or region;
25		(b) The granting entity for which the cabinet's matching grant is being used
26		requires a public purpose for grant eligibility; or

The cabinet in its judgment concludes the proposal will enhance the quality of

(c)

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1		life or services in a community or region.
2	(2)	The cabinet shall evaluate each applicant's eligible project according to the criteria
3		described in this section for the purpose of compiling a [recommendation and]score
4		for the eligible project pursuant to this section.
5	(3)	If a match applicant is selected as an eligible grant applicant [recipient] approved
6		under the <u>GRANT Program</u> [Government Resources Accelerating Needed
7		Transformation Program of 2024], it shall comply with any incentive agreements
8		and reporting requirements deemed necessary by the cabinet to verify that the
9		awarded grant shall go toward an eligible use.
0	(4)	In the administration of the <u>GRANT Program</u> [Government Resources Accelerating
1		Needed Transformation Program of 2024], the cabinet shall develop a scoring
12		system for eligible grant applications [the project proposed by each match
13		applicant] based on the total projected return on investment and the relative positive
4		impact in the community.
5	(5)	The scoring system shall include a:
6		(a) Score in each category as specified in subsection (6) of this section; and
17		(b) Total weighted score, which is the average of the scores in each category.
8	(6)	The scoring categories shall include but are not limited to:
9		(a) Projected return on investment the project will yield, which includes an
20		assessment of the:
21		1. Likelihood of project completion both with the <u>match</u> [cabinet's] funding
22		and without;
23		2. Application content when evaluated against the federal grant program's
24		publicly available scoring rubric or evaluation criteria, if any;
25		3. Projected gross economic impact of the proposed project on the
26		community;

Projected number of jobs created by the proposed project and

4.

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1			subsequent impact on the community;
2			5. Determination of the cost of the project based on the <u>amount</u> [cost]
3			expended by the cabinet if it obligates the requested grant amount to the
4			applicant;
5			6. Evidence of community support for the project <u>submitted by:</u>
6			a. The eligible grant applicant; or
7			b. A majority of eligible grant applicants for a regional project;
8			7. Likelihood that the applicant can successfully manage the federal grant's
9			administration requirements; and
10			8. Likelihood of success based on a federal agency prioritization of a
11			particular applicant; and
12		(b)	Overall positive impact the project will have on the surrounding community
13			as evidenced by clear and feasible projected outcomes of the grant-funded
14			project.
15	(7)	(a)	On or before May 1, 2024, and not later than May 1 every two (2) years
16			thereafter, the cabinet shall determine a county population ranking for each
17			county by adding the following two (2) factors:
18			1. The population density ranking; and
19			2. The ten (10) year percentage change in population ranking.
20		(b)	The required local match for each county shall be as follows:
21			1. Eligible projects in counties where the county population ranking is
22			greater than or equal to one hundred ninety-three (193) shall provide a
23			minimum amount of local matching funds equal to one percent (1%) of
24			the state match;
25			2. Eligible projects in counties where the county population ranking is less
26			than one hundred ninety-three (193) but greater than or equal to one
27			hundred forty-five (145) shall provide a minimum amount of local

1			matching funds equal to two percent (2%) of the state match;
2			3. Eligible projects in counties where the county population ranking is less
3			than one hundred forty-five (145) but greater than or equal to ninety-
4			seven (97) shall provide a minimum amount of local matching funds
5			equal to three percent (3%) of the state match;
6			4. Eligible projects in counties where the county population ranking is less
7			than ninety-seven (97) but greater than or equal to forty-nine (49) shall
8			provide a minimum amount of local matching funds equal to four
9			percent (4%) of the state match; and
10			5. Eligible projects in counties where the county population ranking is less
11			than forty-nine (49) shall provide a minimum amount of local matching
12			funds equal to five percent (5%) of the state match.
13		(c)	On or before November 1, 2024, and no later than November 1 every two (2)
14			years thereafter, the cabinet shall report to the Legislative Research
15			Commission and the Interim Joint Committee on Appropriation and Revenue
16			the following information for each county:
17			1. The county name;
18			2. The population density ranking for that county;
19			3. The ten (10) year percentage change in population ranking for that
20			county; and
21			4. The county population ranking for that county.
22	(8)	(a)	For selected eligible grant <u>applicants</u> [recipients] that are involved in a
23			regional project, the cabinet may pool the potential allocation of funds
24			available for each county represented by the eligible grant
25			applicants [recipients] for the grant amount awarded.
26		(b)	A county that is an eligible grant applicant [recipient] involved in a regional
27			project shall provide that county's local matching funds based on the county

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1		population ranking determined under subsection (7) of this section and each
2		county's local matching funds may be pooled as described in paragraph (a) of
3		this subsection [.
4 ((9)	Beginning no later than November 1, 2024, and annually thereafter until the
5		authorized appropriation is spent or returned, the cabinet shall compile and submit a
6		report for each application approved by the GRANT Commission established in
7		KRS 154.14-080 for the Government Resources Accelerating Needed
8		Transformation Program of 2024. The report shall be electronically delivered to the
9		Legislative Research Commission and the Interim Joint Committee on
10		Appropriations and Revenue and contain the following information:
11		(a) The name of the applicant, a description of the eligible project, and the
12		location of each proposed project for which an application was approved;
13		(b) The date the application was approved by the GRANT Commission;
14		(c) The amount of funding authorized for each project approved;
15		(d) The total amount of funding disbursed for each project approved; and
16		(e) The round of funding for which each project received approval.
17 ((10)	The Government Resources Accelerating Needed Transformation Program of 2024
18		shall begin April 15, 2024. The cabinet shall begin accepting applications for the
19		program on May 15, 2024].
20		→ Section 5. KRS 154.14-060 is amended to read as follows:
21 ((1)	There is hereby established in the State Treasury a trust and agency account to be
22		known as the <u>GRANT Program</u> [Government Resources Accelerating Needed
23		Transformation Program of 2024] fund. The fund shall consist of moneys received
24		from state appropriations, gifts, grants, and federal funds.
25 ((2)	The fund shall be administered and maintained by the cabinet.
26 ((3)	(a) Amounts deposited in the fund shall be used for awarding:
27		<u>1.[(a)]</u> Matching funds to <u>successful</u> applicants of the <u>GRANT</u>

I		Program Government Resources Accelerating Needed Transformation
2		Program of 2024] upon notification of award of the federal grant
3		requiring matching funds. Except as provided in paragraph (b) of this
4		subsection, up to twenty percent (20%) of the amounts deposited in the
5		fund shall be used for match awards for nonprofit charitable
6		organizations organized under 26 U.S.C. sec. 501(c)(3); and
7		2.[(b)] Matching funds to <u>successful</u> applicants of the <u>GRANT</u>
8		Program[Government Resources Accelerating Needed Transformation
9		Program of 2024] upon notification of award of the federal grant
10		requiring matching funds. Except as provided in paragraph (b) of this
11		subsection, up to eighty percent (80%) of the amounts deposited in the
12		fund shall be used for match awards to county or city governing bodies.
13		(b) The cabinet may transfer up to ten percent (10%) of funds remaining in one
14		(1) of the categories listed in paragraph (a)1. or 2. of this subsection to the
15		other category in that paragraph if:
16		1. The upper limit established is reached within a category;
17		2. There are eligible projects to be funded from the category that has
18		reached the limit; and
19		3. Funds remain available in the other category.
20		If a transfer is made, the cabinet shall provide notice in writing to the
21		Interim Joint Committee on Appropriations and Revenue if the transfer is
22		made during an interim between legislative sessions, or the Senate Standing
23		Committee on Appropriations and Revenue and the House Standing
24		Committee on Appropriations and Revenue if the transfer is made during a
25		legislative session.
26	(4)	Notwithstanding KRS 45.229, moneys in the account not expended at the close of a
27		fiscal year shall not lapse but shall be carried forward into the next fiscal year.

1	(5)	Any interest earnings of the fund shall become a part of the fund and shall not						
2		lapse	e.					
3	(6) [Moneys deposited in the fund are hereby appropriated for the purposes set forth in						
4		this	section and shall not be appropriated or transferred by the General Assembly					
5		for any other purposes.						
6	(7)]	Any match funds awarded under subsection (3) of this section shall be canceled						
7		upor	upon denial of the federal award [.					
8	(8)	On (or after June 30, 2024, any unencumbered moneys in the fund established in					
9		KRS	5 147A.158 shall be transferred to the Government Resources Accelerating					
10		Need	ded Transformation Program of 2024 fund administered by the Cabinet for					
11		Ecor	Economic Development created in this section].					
12		→ Se	ection 6. KRS 154.14-070 is amended to read as follows:					
13	(1)	(a)	By June 1, 2024, and the first day of each month thereafter, the cabinet shall					
14			submit a [monthly] report on eligible project applications to the Governor and					
15			the Senate Standing Committee on Appropriations and Revenue and the					
16		House Standing Committee on Appropriations and Revenue, or the Interim						
17		Joint Committee on Appropriations and Revenue, and make the reports						
18		available on the cabinet's website.						
19		(b)	The monthly report shall be a summary of the eligible project applications and					
20		shall include but not be limited to the following:						
21			1. A list of all <u>eligible grant applications received</u> [match applicants];					
22			2. The identity of applicants who were not selected for <u>the</u> obligation of					
23			[match] funds;					
24			3. Trends found in feedback given to applicants who were not selected for					
25			<u>the</u> obligation of [match] funds;					
26			4. For each submitted eligible grant application:					
27			a. The eligible use of funds and project for which funds are					

1		requested Eligible uses of the projects cited in the match									
2	applications];										
3	<u>b.[5.]</u> The date of <u>submission</u> [the application;										
4		6. The date of receipt of the application by the cabinet];									
5		$\underline{c.[7.]}$ A description of the federal grant funds applied for by the									
6		applicant;									
7		\underline{d} [8.] A description of the title, subject matter, preliminary evaluation,									
8	and scoring tally of the eligible grant application[project];										
9	<u>e.[9.]</u> The date of the cabinet's preliminary evaluation;										
10		<u>f.</u> [10.] The amount [of moneys] requested, and the amount [of									
11	moneys]approved or denied[for each application]; and										
12		$g_{\underline{111.}}$ The date of the cabinet's final decision on obligation of the									
13	match funds, the date of the federal grant approval or denial, and										
14	whether the eligible project was approved or denied[; and										
15		12. Any other information requested by the cabinet].									
16	(2) By	November 1, 2024, and annually thereafter until November 1, 2026, the cabinet									
17	shall prepare an annual report of the GRANT Program[Government Resources										
18	Accelerating Needed Transformation Program of 2024] to be submitted to the										
19	Gov	vernor and the Interim Joint Committee on Appropriations and Revenue and									
20	mac	de available on the cabinet's website. The annual report shall include but not be									
21	limited to the following:										
22	(a)	A summary of the monthly reports and the <u>eligible grant</u> [match] applications									
23		received and relevant statistics relating to actions taken by the cabinet and									
24		grants awarded, including the applicant, award amount, and the purpose of the									
25		funding;									
26	(b)	The current balance of the GRANT Program [Government Resources									
27		Accelerating Needed Transformation Program of 2024] fund;									

I	(c)	Recomme	endations	regarding	appropriation	ns to	the	<u>GRANT</u>				
2		<u>Program</u>	[Governmer	nt Resources	Accelerating	S Needed	Trans	formation				
3	Program of 2024] fund for the upcoming fiscal year; and											
4	(d)	Recomme	endations fo	r legislation o	r policy action	s needed to	o facilita	te greater				
5		receipt of	grant fundi	ng to eligible g	grant <i>applican</i>	<u>ts[recipient</u>	s] .					
6	→ Section 7. The following KRS sections are repealed:											
7	154.14-01	0 Purpose	e of Govern	nment Resour	ces Accelerat	ing Neede	d Transi	formation				
8	Prog	gram of 202	24.									
9	154.14-08	0 GRAN	Γ Commissi	on Members	ship Meeting	gs Staffii	ng.					
10	→ S	ection 8.	Whereas the	e GRANT pro	gram is availa	ble for a li	mited tir	ne period				
11	and admi	nistrative	efficiency	requires that	funding be	allocated	immedi	ately, an				
12	emergenc	y is declare	ed to exist, a	nd this Act tal	kes effect upor	its passag	e and ap	proval by				
13	the Gover	nor or upoi	n its otherwi	se becoming a	law.							