

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) "County population ranking" means the score of each county determined by the
8 cabinet under KRS 154.14-050(7);
- 9 (3) "Eligible grant applicant" means a county or city governing body, any entity
10 organized in Kentucky providing public services through law enforcement, fire,
11 emergency medical, rescue, waterfront development, a water utility, or a waste
12 water utility to persons domiciled in Kentucky, or a nonprofit charitable
13 organization organized under 26 U.S.C. sec. 501(c)(3) and engaged in public
14 benefit improvements;
- 15 (4) "Eligible project" means a project that:
- 16 (a) Meets the requirements for a federal grant offered or administered by a
17 qualifying federal entity that:
- 18 1. Requires a local match; or
- 19 2. Is a Delta Regional Authority project that includes language explicitly
20 stating that a local match will make an application more competitive;
- 21 (b) Benefits the public or substantially benefits the public and satisfies the
22 evaluation criteria in KRS 154.14-050 and that is initiated on:
- 23 1. Publicly owned property;
- 24 2. Property to be acquired, which comes with either a:
- 25 a. Legally binding letter of intent or option for the sale to an eligible
26 grant applicant; or
- 27 b. Legally binding sale agreement for the sale to an eligible grant

1 applicant; or

2 3. Private property on which a project is located that is in the public
3 interest and for a public purpose and that benefits an eligible
4 community; and

5 (c) Requires local matching funds based on the county population ranking as
6 provided in KRS 154.14-050;

7 (5) "Eligible use" means the authorized purpose for which an awarded grant may be
8 used depending on the source of funds from the federal government;

9 (6) "GRANT Program" means the Government Resources Accelerating Needed
10 Transformation Program established in KRS 154.14-030;

11 (7) "GRANT Program fund" means the fund established in KRS 154.14-060;

12 (8) "Population density":

13 (a) Means the number of persons per square mile of a county;

14 (b) Is calculated by dividing the total county population by the square miles in the
15 county;

16 (c) Is determined by using the population estimate from the most recent available
17 five (5) year American Community Survey as published by the United States
18 Census Bureau; and

19 (d) Is used to rank each county in descending order, with the county having the
20 largest population density receiving a rank of one (1) and the county with the
21 smallest population density receiving a rank of one hundred twenty (120);

22 (9) "Qualifying federal entity" includes the following:

23 (a) The Domestic Policy Council;

24 (b) The Office of Management and Budget;

25 (c) The United States Department of Energy;

26 (d) The United States Department of the Treasury;

27 (e) The United States Department of the Interior;

- 1 (f) The United States Department of Agriculture;
- 2 (g) The United States Department of Commerce;
- 3 (h) The United States Department of Labor;
- 4 (i) The United States Department of Health and Human Services;
- 5 (j) The United States Department of Housing and Urban Development;
- 6 (k) The United States Department of Transportation;
- 7 (l) The United States Department of Education;
- 8 (m) The United States Department of Homeland Security;
- 9 **(n) The United States Department of Justice;**
- 10 **(o) The United States Department of Defense;**
- 11 ~~**(p)**~~ The United States Environmental Protection Agency;{
- 12 ~~**(q)**~~ The United States Department of the Army;}
- 13 ~~**(r)**~~ The Appalachian Regional Commission;
- 14 ~~**(s)**~~ The Delta Regional Authority;
- 15 ~~**(t)**~~ The National Science Foundation; and
- 16 ~~**(u)**~~ Any federal agency, department, or entity that is the successor of an
- 17 entity listed in paragraphs (a) to ~~**(s)**~~ of this subsection;
- 18 (10) "Regional project" means an eligible project that is proposed by eligible grant
- 19 applicants residing or having a primary business address in different counties in this
- 20 Commonwealth or by eligible grant subrecipients as part of a multistate project who
- 21 submit a regional grant application; and
- 22 (11) "Ten (10) year percentage change in population":
- 23 (a) Means the percentage change in population within a county;
- 24 (b) Is determined by comparing the population estimate from the most recent
- 25 available five (5) year American Community Survey as published by the
- 26 United States Census Bureau to the same survey ten (10) years prior to the
- 27 most recent available survey; and

1 (c) Is used to rank each county in descending order, with the county having the
2 largest positive percentage change in population receiving a rank of one (1)
3 and the county with the largest negative percentage change receiving a rank of
4 one hundred twenty (120).

5 ➔Section 2. KRS 154.14-030 is amended to read as follows:

6 (1) The Government Resources Accelerating Needed Transformation Program is
7 hereby established under the cabinet. The cabinet's administration of the program
8 includes but is not limited to the following:

9 (a) Creating and making available a standardized grant application and a regional
10 grant application for the obligation of state funds under this subchapter to
11 apply for matching federal funds;

12 (b) Developing a standardized scoring system pursuant to this section and KRS
13 154.14-050;

14 (c) Reviewing and processing applications submitted to the cabinet by eligible
15 grant applicants;

16 (d) Verifying that an eligible grant applicant is seeking a federal grant for an
17 eligible project;

18 (e) Evaluating the project proposed by the match application in accordance with
19 the evaluation criteria set forth in this section and KRS 154.14-050;

20 (f) Scoring each application pursuant to the scoring system described in KRS
21 154.14-050;

22 (g) Ranking each match application:

23 1. To prioritize the greatest return on investment and relative positive
24 impact of the eligible project; and

25 2. Based on the project evaluation and the project score described in this
26 section and KRS 154.14-050;

27 (h) Identifying eligible grant applicants whose eligible project demonstrates a

- 1 high level of investment potential if a match is provided, as revealed by the
2 evaluation, scoring, and county population ranking process described in this
3 section and KRS 154.14-050;
- 4 (i) Providing detailed feedback to the eligible grant applicants after the project
5 evaluation and project score are completed and the application is approved or
6 denied by the cabinet, unless otherwise prohibited by federal or state law;
- 7 (j) Obligating matching funds to selected eligible grant applicants; and
- 8 (k) Compiling the monthly and annual reports to be submitted under KRS 154.14-
9 070.
- 10 (2) The cabinet shall determine the terms, conditions, and requirements of grant awards
11 from the GRANT Program fund. The cabinet may establish procedures and
12 standards for the review and approval of the obligation of match funds through the
13 promulgation of administrative regulations in accordance with KRS Chapter 13A.
- 14 (3) The secretary of the cabinet shall have the authority to hire staff, contract for
15 services, expend funds, and operate the normal business activities of the GRANT
16 Program. Notwithstanding KRS Chapter 45A, the cabinet may contract with a third
17 party for implementation and administration of the program.
- 18 (4) The GRANT Program shall sunset on December 31, ~~2028~~[2026], unless authorized
19 by the General Assembly to continue its work for a specified period of time.
- 20 (5) The Kentucky Council of Area Development Districts and local area development
21 districts shall assist eligible grant applicants in identifying available federal grant
22 opportunities and preparing federal grant applications and GRANT Program
23 applications. This subsection shall not prevent any public agency or nonprofit entity
24 from assisting eligible grant applicants in identifying available federal grant
25 opportunities and preparing federal grant applications and GRANT Program
26 applications.
- 27 (6) Upon request of the local area development districts, a local public institution in the

1 postsecondary education system as defined in KRS 164.001 shall assist the eligible
2 grant applicants in their area by including but not limited to:

- 3 (a) Identifying opportunities for federal grants;
- 4 (b) Rendering supplemental support for federal grant applications on behalf of the
5 communities including but not limited to providing data and analysis for the
6 federal grant application; or
- 7 (c) Acting as the contact person for the local public institution to the Kentucky
8 Council of Area Development Districts and to the area development district in
9 which the local public institution is located and updating the contact person
10 information.

11 ➔Section 3. KRS 154.14-040 is amended to read as follows:

- 12 (1) (a) To participate in the GRANT Program, eligible grant applicants shall submit
13 either a standardized or a regional grant application to the cabinet **no later**
14 **than ninety (90) days from the eligible grant applicant's submission for a**
15 **federal grant offered or administered by a qualifying federal entity.**
- 16 (b) The cabinet shall review applications monthly. Each monthly review shall
17 include all applications submitted but not yet reviewed by the first day of each
18 month.
- 19 (c) The cabinet shall provide a preliminary evaluation of each application
20 submitted by the first day of the month within fourteen (14) calendar days of
21 the first day of the month. As part of the preliminary evaluation, the cabinet
22 shall consider the applicant's eligibility and the application completeness
23 when evaluated against the requirements of the federal grant.
- 24 (d) The cabinet shall provide a final decision of approval or denial on the
25 application by the last day of the month in which the application was
26 preliminarily reviewed. If an application is denied, the cabinet may provide
27 feedback about any possible corrective action, in which case the applicant

1 may resubmit the application for reconsideration after taking the
2 recommended corrective action.

3 (2) If a grant application is approved, the recipient shall comply with any match and
4 reporting requirements established by the cabinet to verify that the awarded funds
5 will be or have been expended on an eligible use.

6 (3) The obligation of funds for an approved project shall not remain obligated longer
7 than twelve (12) months for that project. An approved project may receive a twelve
8 ~~(12)~~~~[six (6)]~~ month extension of this deadline from the cabinet.

9 (4) If the grant recipient fails to comply with subsection (2) of this section or uses the
10 awarded funds for any purpose other than an eligible use, the grant recipient shall
11 forfeit and be liable to 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 not approve a project unless it finds that the project is in the
14 public interest and the grant funds will be used for a public purpose. For purposes
15 of this subsection, projects that are in the public interest and for a public purpose
16 can include a derivative private benefit, if the cabinet finds the following:

17 (a) The project will enhance a community or region;

18 (b) The granting entity for which the cabinet's matching grant is being used
19 requires a public purpose for grant eligibility; or

20 (c) The cabinet in its judgment concludes the proposal will enhance the quality of
21 life or services in a community or region.

22 (2) The cabinet shall evaluate each applicant's eligible project according to the criteria
23 described in this section for the purpose of compiling a score for the eligible project
24 pursuant to this section.

25 (3) If a match applicant is selected as an eligible grant applicant approved under the
26 GRANT Program, it shall comply with any incentive agreements and reporting
27 requirements deemed necessary by the cabinet to verify that the awarded grant shall

1 go toward an eligible use.

2 (4) In the administration of the GRANT Program, the cabinet shall develop a scoring
3 system for eligible grant applications based on the total projected return on
4 investment and the relative positive 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

7 (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
10 assessment of the:

11 1. Likelihood of project completion both with the match funding and
12 without;

13 2. Application content when evaluated against the federal grant program's
14 publicly available scoring rubric or evaluation criteria, if any;

15 3. Projected gross economic impact of the proposed project on the
16 community;

17 4. Projected number of jobs created by the proposed project and
18 subsequent impact on the community;

19 5. Determination of the cost of the project based on the amount expended
20 by the cabinet if it obligates the requested grant amount to the applicant;

21 6. Evidence of community support for the project submitted by:

22 a. The eligible grant applicant; or

23 b. A majority of eligible grant applicants for a regional project;

24 7. Likelihood that the applicant can successfully manage the federal grant's
25 administration requirements; and

26 8. Likelihood of success based on a federal agency prioritization of a
27 particular applicant; and

1 (b) Overall positive impact the project will have on the surrounding community
 2 as evidenced by clear and feasible projected outcomes of the grant-funded
 3 project.

4 (7) (a) On or before May 1, 2024, and not later than May 1 every two (2) years
 5 thereafter, the cabinet shall determine a county population ranking for each
 6 county by adding the following two (2) factors:

- 7 1. The population density ranking; and
- 8 2. The ten (10) year percentage change in population ranking.

9 (b) **For applications submitted on or after July 1, 2026,** the required local match
 10 for each county shall be as follows:

- 11 1. Eligible projects in counties where the county population ranking is
 12 greater than or equal to one hundred ninety-three (193) shall provide a
 13 minimum amount of local matching funds equal to ~~two~~~~[one]~~ percent
 14 ~~(2%)~~~~[(1%)]~~ of the state match;
- 15 2. Eligible projects in counties where the county population ranking is less
 16 than one hundred ninety-three (193) but greater than or equal to one
 17 hundred forty-five (145) shall provide a minimum amount of local
 18 matching funds equal to ~~four~~~~[two]~~ percent ~~(4%)~~~~[(2%)]~~ of the state
 19 match;
- 20 3. Eligible projects in counties where the county population ranking is less
 21 than one hundred forty-five (145) but greater than or equal to ninety-
 22 seven (97) shall provide a minimum amount of local matching funds
 23 equal to ~~six~~~~[three]~~ percent ~~(6%)~~~~[(3%)]~~ of the state match;
- 24 4. Eligible projects in counties where the county population ranking is less
 25 than ninety-seven (97) but greater than or equal to forty-nine (49) shall
 26 provide a minimum amount of local matching funds equal to ~~eight~~~~[four]~~
 27 percent ~~(8%)~~~~[(4%)]~~ of the state match; and

1 5. Eligible projects in counties where the county population ranking is less
2 than forty-nine (49) shall provide a minimum amount of local matching
3 funds equal to ~~ten~~~~[five]~~ percent (10%)~~[(5%)]~~ of the state match.

4 (c) On or before November 1, 2024, and no later than November 1 every two (2)
5 years thereafter, the cabinet shall report to the Legislative Research
6 Commission and the Interim Joint Committee on Appropriations and Revenue
7 the following information for each county:

8 1. The county name;

9 2. The population density ranking for that county;

10 3. The ten (10) year percentage change in population ranking for that
11 county; and

12 4. The county population ranking for that county.

13 (8) (a) For selected eligible grant applicants that are involved in a regional project,
14 the cabinet may pool the potential allocation of funds available for each
15 county represented by the eligible grant applicants for the grant amount
16 awarded.

17 (b) A county that is an eligible grant applicant involved in a regional project shall
18 provide that county's local matching funds based on the county population
19 ranking determined under subsection (7) of this section and each county's
20 local matching funds may be pooled as described in paragraph (a) of this
21 subsection.

22 ➔Section 5. KRS 154.14-070 is amended to read as follows:

23 (1) (a) By June 1, 2024, and the first day of each month thereafter, the cabinet shall
24 submit a report on eligible project applications to the Governor and the Senate
25 Standing Committee on Appropriations and Revenue and the House Standing
26 Committee on Appropriations and Revenue, or the Interim Joint Committee
27 on Appropriations and Revenue, and make the reports available on the

1 cabinet's website.

2 (b) The monthly report shall be a summary of the eligible project applications and
3 shall include but not be limited to the following:

- 4 1. A list of all eligible grant applications received;
- 5 2. The identity of applicants who were not selected for the obligation of
6 funds;
- 7 3. Trends found in feedback given to applicants who were not selected for
8 the obligation of funds; and
- 9 4. For each submitted eligible grant application:
 - 10 a. The eligible use of funds and project for which funds are
11 requested;
 - 12 b. The date of submission;
 - 13 c. A description of the federal grant funds applied for by the
14 applicant;
 - 15 d. A description of the title, subject matter, preliminary evaluation,
16 and scoring tally of the eligible grant application;
 - 17 e. The date of the cabinet's preliminary evaluation;
 - 18 f. The amount requested, and the amount approved or denied; and
 - 19 g. The date of the cabinet's final decision on obligation of the match
20 funds, the date of the federal grant approval or denial, and whether
21 the eligible project was approved or denied.

22 (2) By November 1, 2024, and annually thereafter until November 1, ~~2028~~²⁰²⁶, the
23 cabinet shall prepare an annual report of the GRANT Program to be submitted to
24 the Governor and the Interim Joint Committee on Appropriations and Revenue and
25 made available on the cabinet's website. The annual report shall include but not be
26 limited to the following:

27 (a) A summary of the monthly reports and the eligible grant applications received

1 and relevant statistics relating to actions taken by the cabinet and grants
2 awarded, including the applicant, award amount, and the purpose of the
3 funding;

4 (b) The current balance of the GRANT Program fund;

5 (c) Recommendations regarding appropriations to the GRANT Program fund for
6 the upcoming fiscal year; and

7 (d) Recommendations for legislation or policy actions needed to facilitate greater
8 receipt of grant funding to eligible grant applicants.

9 ➔Section 6. Whereas the GRANT program is available for a limited time period
10 and administrative efficiency requires that funding be allocated immediately, an
11 emergency is declared to exist, and this Act takes effect upon its passage and approval by
12 the Governor or upon its otherwise becoming a law.