BARRIERS TO FEDERAL INVESTMENT IN RURAL COMMUNITIES

A **West Virginia** Case Study

THE Hub
West Virginia Community Development Hub

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wvhub.org

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EXECUTIVE SUMMARY

Between 2022-2023, the WV Community Development Hub completed a comprehensive analysis of challenges that community and economic development agencies in West Virginia have faced in accessing the diversity of new federal funding opportunities that have been created by the federal government since 2021. These funding opportunities have been targeted to increase locally-driven economic development in coal-impacted communities across the country. Despite the increase in access to resources, barriers to investment have emerged that will continue to hinder local and regional development in distressed coal-impacted regions without intervention by federal agencies.

In this report, ***Barriers to Federal Investment in Rural Communities***, we use West Virginia as a case study to examine the key barriers that prevent rural, coal-impacted communities from effectively competing for federal funding across multiple agencies, and identify simple strategies that federal agencies can implement to address these barriers within their current congressional authority.

Targeted improvements to address continuous and systemic barriers to rural, coal-impacted communities receiving and successfully managing federal funding awards would lead to long-term transformation in how these regions, and West Virginia in particular, are positioned to continue building new economic development opportunities.

Our research identified 3 key barriers to accessing federal funding by community economic development agencies serving rural communities in West Virginia:

1. The **shifting nature in the application windows** for federal awards negatively impacts communities because they are less able to respond to emergent needs that are time sensitive. They are less likely to present successful project applications without proper notification and timing.

2. **Stringent match requirements** prohibits communities that are resource strained from effectively competing for federal awards that require match at levels that are unattainable for low-resource, distressed regions.

3. **Spending restrictions throughout federal programs** often classify certain expenditures as unallowable, despite their utility in enhancing the success of a project. This requires awardees to undergo a lengthy compliance process when expenses necessary for their project are not allowable under a program's guidance.

Based on our analysis and detailed interviews with hundreds of community economic development organizations in the state, we have identified 3 key strategies that would help West Virginia community economic development entities access current opportunities for federal funding:

1. **Create greater standardization** of grant application timetables, and increased notice of upcoming federal funding opportunities, including working with the Office of Management and Budget to publish proposed annual funding calendars by each agency upon completion of the annual budget by Congress each year.

2. **Create increased match waiver and/or reduction opportunities** across multiple federal agencies where match is not strictly set by statute, building on pilots and experimental initiatives currently underway at the US Economic Development Administration, the Environmental Protection Agency, and other federal agencies.

3. Require that the Interagency Working Group on Coal and Power Plant Communities, as well as other interagency councils, **routinely analyze notice of funding opportunities (NOFOs)** to determine which spending restrictions that are required by agencies but not existent in statute (i.e. not congressionally required) negatively impact programs within their jurisdiction.

The Mercer Grassroots District located in downtown Princeton, West Virginia.

The ***Barriers to Federal Investment in Rural Communities*** report identifies potential strategies individual agencies could undertake to creatively address current barriers to rural access to federal resources, including proposing initiatives for the Appalachian Regional Commission, the U.S. Department of Agriculture, the Environmental Protection Agency and the U.S. Economic Development Agency. Additionally, we propose leadership initiatives that the Office of Management and Budget and that Interagency Councils and Working Groups could undertake to increase federal transparency and improve access to federal funding for rural, coal-impacted communities.

INTRODUCTION

Unparalleled investments have been made by the federal government in support of state and locally-driven economic development in recent years. Since January 2021, the Bipartisan Infrastructure Investment and Jobs Act and the Inflation Reduction Act have created more than $1.5 trillion dollars in new federal funding to address locally-driven economic and business development, energy security and climate change.[1]

The Biden Administration Executive Order 14008, Section 217 (released on Jan. 27 2021), clearly identified that large-scale investments in coal and power plant impacted regions are a priority for the Administration and for federal agencies in addressing the climate crisis and preparing the country for the new energy economy.[2] More than $550 billion in federal funding has been directed towards these regions, creating a generational investment in economic development and transition for building the new energy economy with states that have been historic energy leaders in America.

With these landmark investments, there is unprecedented opportunity for rural communities to pursue significant federal dollars that can create long-term economic growth. However, many rural communities find themselves unable to effectively compete for federal funding opportunities due to resource concerns, unattainable matching requirements, limited staff capacity to apply for and administer these funds, and increased award sizes.[3]

This report examines the barriers that community economic development and municipal leaders in West Virginia face in accessing federal funding, as a case study of challenges that rural communities across the nation may face in accessing the historic level of funding that is directed towards rural and coal impacted regions.

We examine individual agency regulatory requirements, impacts that programmatic decisions are having on stakeholders in West Virginia, and make recommendations for potential changes and adaptations that agencies can take to address the barriers

1) A Guidebook to the Bipartisan Infrastructure Law. https://www.whitehouse.gov/build/guidebook/. Inflation Reduction Act Guidebook. https://www.whitehouse.gov/cleanenergy/inflation-reduction-act-guidebook/.

2) Executive Order on Tackling Climate Crisis at Home and Abroad. https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/.

3) Mitchell, T. (2018) 4. Views of problems facing urban, suburban and rural communities, Pew Research Center's Social & Demographic Trends Project. Available at: https://www.pewresearch.org/social-trends/2018/05/22/views-of-problems-facing-urban-suburban-and-rural-communities/.

identified by our survey respondents. Detailed analysis of potential adaptations to program strategies are provided for four federal agencies and for the Office of Budget and Management. We also describe some unique initiatives and innovations that are currently underway to address and mitigate barriers to rural communities accessing federal funding.

Federal grantmaking is a strenuous process that consists of several coordinating agencies, civil servants, and significant and costly due diligence on the part of both the awarding agency and the recipient. There are often unintended consequences that limit communities' chances of success due to the structure of the federal grantmaking process.

West Virginia has been successful in national competitions for significant federal awards over the last two years, including the ACT Now Coalition's EDA Build Back Better award, and the Appalachian H2Hub's DOE Office of Clean Energy Demonstration Regional Clean Hydrogen Hub award. Despite these major awards, barriers remain to ensuring a continuous flow of federal funding support to emerging and high-impact projects across the state, in accordance with the Executive Order 14008 goals.

This is a moment of significant opportunity to address long-standing barriers to accessing federal funding, in partnership with federal agencies and the Administration.

Federal agencies have been experimenting with new initiatives to reduce barriers to coal-impacted communities access federal resources, including building new grant making strategies with regional intermediaries, increasing federal agency staffing capacity on the ground, and changing grant making processes to ensure a more equitable on-ramp to accessing federal resources by high-need communities across the country. There is creative leadership in agencies throughout the federal government, from national to regional and state staff. This is a unique moment where federal leaders, federal staff, and local communities are committed to working together to address and remove historic barriers to locally-driven economic development.

Emily Cerna, POWER & ARISE Program Analyst at the Appalachian Regional Commission, speaks to participants at The Hub's Federal Community Development Funding Training in November 2023.

We hope through this report that we can encourage the continuation of the creative initiatives that the federal government is taking itself to address barriers to accessing federal funding through demonstrating the key persistent barriers and opportunities that are clear to West Virginia community economic development leaders, and contribute to the national effort to drive economic transformation in coal-impacted communities throughout the United States.

FEDERAL GRANTMAKING AUTHORITY

AUTHORIZING LEGISLATION

Federal agencies are authorized to make awards to eligible entities based on a mixture of authorizing legislation and Executive Orders, guidance from the Office of Management and Budget, program and agency specific legislation, and internal agency guidance and regulations that shape how programs are implemented across the federal grantmaking framework. These various mandates create programs within the federal government that derive their authority from a piecemeal connection of binding legislation, executive guidance, and agency-directed regulation and guidance. Programs with more agency-directed flexibility are more readily able to initiate changes that positively impact their implementation in low-capacity communities.

The Federal Grant and Cooperative Agreement Act, authorized in 31 U.S.C. §6301-6308, dictates general requirements for federal grantmaking structures and cooperative agreements, including clauses relating to the content of funding opportunity announcements, procurement procedures, and other structural concerns.[4] This legislation broadly sets the requirements for federal funding programs and is expounded upon by the Office of Management and Budget's (OMB) Uniform Guidance.

This guidance, found in 2 CFR Part 200, outlines administrative requirements, cost principles, and audit requirements associated with federal grants. It provides for specific guidance for all agencies engaged in federal grantmaking. Agencies then implement this guidance through directives or their own self-directed regulatory processes. Additionally, 2 CFR Part 200 provides guidance on what funding should be included in funding announcements and funding announcement timelines.

Agencies also are directed by agency specific legislation, which often authorizes and governs many of their grantmaking programs. These laws may outline the types of information included in public notices, requirements for the implementation of the funded project, target communities/projects and sectors of interest, intended benefit, and other information regarding specific programs. Many agencies, due to how their programs are enacted and authorized, create regulatory guidance after considering the legislative requirements created, which supersede agencies autonomous authority.

These agency-directed regulations are created through the Code of Federal Regulations (CFR), which provides additional details on content and requirements of grant funding programs, allowable expenses, application windows, and other criteria through the codification of rules by the agencies within the federal government. These proposed rules are available for public comment, where communities and organizations are able to provide feedback and voice their support or opposition to specific proposed implementation guidance.

As with all federal agencies, when not conflicting with enacted law, the President may issue Executive Orders to alter the requirements for grantmaking programs, funding notices, and other agency operations to direct an agency to engage or not engage in particular actions.

4) More information on the difference between federal Grants and Cooperative Agreements can be found at https://science.osti.gov/grants/About/Grants-Contracts-Differences.

JUSTICE40 REQUIREMENTS

The Justice40 Initiative is meant to reform how Federal programs are packaged and delivered to communities that are historically disadvantaged or overburdened to address decades of underinvestment. The Initiative's emphasis is on bringing resources to communities severely impacted by climate change, pollution, and environmental harm.[5]

In July 2021, the White House issued formal Interim Implementation Guidance directing all Federal agencies to identify which of their programs are covered under the Justice40 Initiative, and to begin implementing a set of reforms to those programs. Existing and new programs created by President Biden's Inflation Reduction Act, the Bipartisan Infrastructure Law, and the American Rescue Plan that make investments in any of these categories can also be considered Justice40 covered programs.

All Justice40 covered programs are required to engage in stakeholder consultation and ensure that community stakeholders are meaningfully involved in determining program benefits. Covered programs are also required to report data on the benefits directed to disadvantaged communities. This mandates greater concern for rural and distressed communities in the continuation and alteration of these programs, as there is a perceived window of opportunity for increased engagement from relevant stakeholders in their design and implementation.

Within the Justice40 initiative, federal agencies have unparalleled opportunities to create more positive outcomes for rural communities seeking investment, and it is reasonably impacted by this analysis.

The full list of Justice40 covered programs is available on the White House's website.[6]

5) https://www.transportation.gov/equity-Justice40#:~:text=What%20is%20the%20Justice40%20Initiative,%2C%20pollution%2C%20and%20environmental%20hazards.

6) https://www.whitehouse.gov/wp-content/uploads/2023/04/Justice40-Covered-Programs-List_v1.4_04-20-2023.pdf

INVESTMENT REQUIREMENTS AND LOCAL BARRIERS

Matt Ward, CEO of Sustainable Strategies DC, leads training of federal appropriations process at The Hub's Federal Community Development Funding Training in November 2023.

STRUCTURAL CONTEXT OF LOCAL BARRIERS TO INVESTMENT

While unparalleled investments have been made by the federal government to support local and state initiatives in recent years, they often fail to reach their intended objectives due to a misunderstanding of the realities that communities face during this process. Throughout the course of the federal grant lifecycle, communities, regardless of their capacity, experience several challenging obstacles that negatively impact their ability to compete effectively for federal awards.

Alex Weld, the Executive Director for Generation West Virginia, speaks at an ACT Now Coalition meeting in November 2023.

The grant lifecycle for federal awards includes the creation of a funding opportunity, application, internal agency award decisions, and successful implementation of the goals of the award.[7]

However, this explanation ignores the realities experienced by many communities regarding 1) their available funding that can serve as matching funds, as required by many funding opportunities, 2) organization's available capacity, in terms of resources and staff time to pursue opportunities, 3) and other miscellaneous application and implementation requirements.

According to an analysis by Headwaters Economics, more than 60% of federal resilience funding in the Bipartisan Infrastructure Law requires a local match.[8] An additional 13% require a match under certain conditions.

Other application requirements, such as scoring criteria, reimbursement models, and other cost-benefit analyses that communities are required to undertake associated with project development, create severe inequities in the distribution of federal funding. At times, this discourages communities from pursuing funding opportunities due to the intensive bureaucratic burden placed upon their staff and organizations.

7) https://www.grants.gov/learn-grants/grants-101.html#:~:text=The%20grant%20process%20follows%20a,agency%20do%20in%20the%20lifecycle.

8) https://headwaterseconomics.org/equity/match-requirements/

PERSISTENT BARRIERS TO ACCESSING FEDERAL FUNDING IN RURAL COMMUNITIES

While much of the recent federal appropriations are designated to help rural and distressed areas, many low-capacity areas do not submit funding requests in the first place because of the persistent barriers they face in accessing federal funding.[9,10]

Communities and rural local governments face many challenges when compared to their urban counterparts, including a fragmentation in staffing that results in staff fulfilling multiple roles across departments and without much capability to dedicate their time to seeking intensive/time sensitive federal grants.[11]

As a result of limited staffing capacity and access to eligible federal match funding, distressed and rural communities are often unable to competitively seek and receive federal awards, putting them at a stark disadvantage to better resourced communities that are able to provide these capacity resources. Urban areas and higher capacity communities have historically had greater access to “significant resources and many public, private, and nonprofit sector players focused on development”, according to a report published by the Federal Reserve Bank of St. Louis.[12]

Jina Belcher, the Executive Director of the New River Gorge Regional Development Authority (NRGRDA) talks with community members and ACT Now Coalition organizational partners in Ronceverte, West Virginia.

However, small and rural communities have time and time again come together to advance successful projects that have transformed their communities and provided widespread community benefit.

Community and economic development organizations have provided critical support to these initiatives, including supporting local planning activities, community-led project development, and comprehensive support services enabling communities to pursue their own development future. These organizations provide significant benefits to the small and rural communities in which

9) Many federal programs are guided by Census data, and approximately 1 in 6 of federal programs are designated for rural areas. https://www.whitehouse.gov/build/resources/rural/

10) Persistent barriers to accessing federal funds have also been noted in relation to federal funding for climate resiliency programs. https://grist.org/cities/the-unexpected-barrier-preventing-american-small-towns-from-accessing-federal-climate-funds/

11) https://www.pewresearch.org/social-trends/2018/05/22/views-of-problems-facing-urban-suburban-and-rural-communities/

12) https://www.stlouisfed.org/community-development/community-development-funders-forum

they operate by providing added capacity and resources that are not otherwise available through other governmental bodies in those areas.

The Federal Reserve Bank of St. Louis' report highlights the Claude Worthington Benedum Foundation's investment in these development organizations, particularly 'core intermediaries.' Core intermediaries are typically high-capacity, highly adaptive organizations that fill leadership gaps, collect data, serve as advocates for their issue areas and coordinate statewide efforts. However, despite the existence of core intermediaries in low-resourced and distressed regions, capacity remains a barrier for many organizations and communities seeking external federal funding to fuel their economic and community growth.

The Ritz Theatre train mural located in Hinton, West Virginia.

Without proactive action by federal agencies to continue efforts to address and remove barriers to rural and low capacity communities accessing federal funding, we risk an underutilization of these rurally focused programs and possible stagnation or decreases in these appropriations in the future, if not successfully utilized.

AGENCY FINDINGS

Ryan Thorn, State Director for USDA-Rural Development WV, presents at The Hub's Federal Community Development Funding Training in November 2023.

The data presented in this case study pulls from the experiences of on-the-ground development practitioners across West Virginia to give us an understanding of the structural barriers that communities experience when soliciting federal funding.[13] By identifying which agencies community practitioners are most and least successful at obtaining funding from, by analyzing specific instances of regulatory challenges, we gain a greater understanding of where these obstacles lay. From this, we can extrapolate which barriers can be overcome by practical regulatory intervention.

FEDERAL AGENCIES THAT WEST VIRGINIA COMMUNITIES AND COMMUNITY ECONOMIC DEVELOPMENT GROUPS ARE MOST SUCCESSFUL IN RECEIVING FUNDING FROM

There is a clear relationship between rural communities and multiple federal agencies that have successfully developed programs that mitigate or remove barriers to access for disadvantaged communities. Respondents ranked agencies from which they were most likely to receive funding, demonstrating how well an agency's programmatic offerings fit the needs present in a community and whether communities typically find it worthwhile to solicit federal awards from that respective agency. These agencies also represent the funding sources from which communities are structurally more likely to find real or perceived success when courting federal awards.

Most development practitioners throughout West Virginia highlight three (3) federal agencies as those that they are most likely to receive community economic development funding from:

1. **Appalachian Regional Commission (ARC)**
2. **US Department of Agriculture - Rural Development (USDA)**
3. **US Economic Development Administration (EDA)**

Through our data collection, we determined that forty-two percent (42%) of stakeholders identified ARC as the agency that they are most successful in receiving funding from. Forty-three percent (43%) of stakeholders identified ARC as the agency that they would like to receive more funding from.

Twenty-one percent (21%) of stakeholders identified USDA as the agency that they are most successful in receiving funding from. Fourteen percent (14%) of stakeholders identified USDA as the agency that they would like to receive more funding from.

And eleven percent (11%) of stakeholders identified EDA as the agency that they are most successful in receiving funding from. Twenty-nine percent (29%) of stakeholders identified EDA as the agency that they would like to receive more funding from.

13) Detailed information on this report's research methodology can be found at the end of the report, starting on page 50.

ADDITIONAL FEDERAL AGENCIES OF HIGH INTEREST TO COMMUNITY ECONOMIC DEVELOPMENT ORGANIZATIONS AND WEST VIRGINIA COMMUNITIES

The federal government has a vast array of funding agencies with individual and comprehensive programs to support community economic development. Understanding the landscape of where eligible funding may be and when it is available has consistently been cited as a key challenge for the field.

U.S. Senator Joe Manchin speaks to participants at the Rural Partners Network event in May 2023.

Many federal agencies have multiple programs that support the development of modern infrastructure, essential community facilities, and help to bolster rural economic development by funding technical assistance for small business owners and entrepreneurs. Many other federal agencies have diverse funding that directly impacts community economic development in rural places.

When aggregated, the other agencies identified by communities as having the most relevance to their priorities are (from most to least responses):

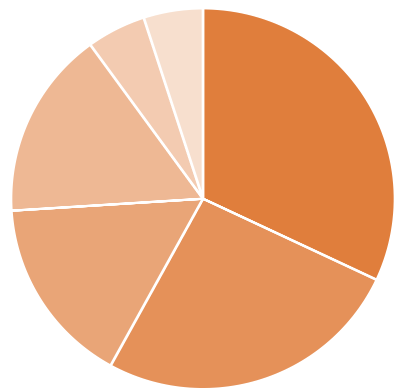
- **Environmental Protection Agency (EPA)**
- **Department of Labor (DOL)**
- **Department of Transportation (DOT)**
- **Department of Treasury (UST)**
- **Department of Housing and Urban Development (HUD)**
- **Department of Health and Human Services (HHS)**

FEDERAL AGENCIES WITH THE MOST IDENTIFIED BARRIERS TO APPLICATION AND AWARD

West Virginia communities and organizations have strong and supportive relationships with many federal agencies focused on providing community economic development funding to rural communities. As discussed above, many of these agencies are considered to provide accessible and competitive funding for rural communities. Survey stakeholders noted that they understand that receiving and managing federal funding is meant to expand and invest in their work. However, the reality is that the effort of managing federal funds sometimes replaces that work due to capacity constraints.

From the information gathered, these agencies were identified as those that present the **most** barriers to communities when applying for and managing federal funding:

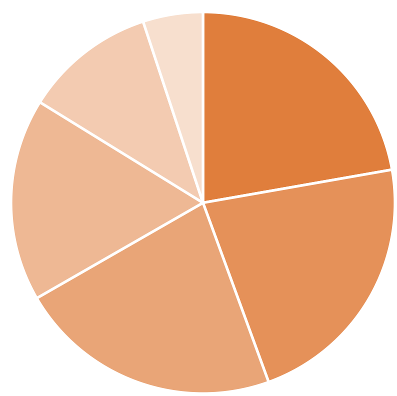
- **US Economic Development Administration (32%)**
- **Appalachian Regional Commission (26%)**
- **US Department of Transportation (16%)**
- **US Housing and Urban Development (16%)**
- **Department of the Treasury (5%)**
- **US Department of Agriculture - Rural Development (5%)**



While stakeholders identified these agencies as those that they encounter the **most** barriers when soliciting federal awards, we also found that stakeholders experienced a significant burden when seeking funding from other agencies as well.

For agencies that stakeholders consider **second** for applicable funding, these agencies were identified as the most intensive with the most barriers to funding present:

- **Department of Agriculture (22%)**
- **Economic Development Administration (22%)**
- **Department of Labor (22%)**
- **Environmental Protection Agency (17%)**
- **Housing and Urban Development (11%)**
- **Department of Transportation (5%)**



HIGHEST IDENTIFIED BARRIERS TO INVESTMENT

52% of survey respondents highlighted match requirements as the primary barrier to their community seeking and receiving federal awards.

While the majority of respondent identified match requirements as their #1 concern when seeking federal fundings, there were several other responses that factored into a communities decision on whether it is worthwhile to apply for federal funding.

Those other barriers identified are:

1. **Non-match related application requirements (17%)**
2. **Spending restrictions within a program's public announcement (17%)**

The McDowell County Courthouse located in Welch, West Virginia.

Smaller concerns identified by stakeholders as prohibitive to their application and award included funds reimbursement and post-award administration.

Stakeholders identified program award size (too small) (32%), spending restrictions (23%), application processes (14%), and match requirements (14%) as the second-most important factor that may impact their ability to competitively seek grants. However, it is worth noting that those who identified match requirements as a barrier to investment in their communities were also more likely to identify program award sizes as being too large as a barrier.

From this assessment, we can infer that some programs offer award sizes that are not large enough to encourage the transformative change that communities need, while also acknowledging that some award sizes are too large for low-capacity communities to administer autonomously.

RECOMMENDATIONS: MATCH REQUIREMENTS AND AWARD SIZE

Joylette Portluck, Executive Director of Sustainable Pittsburgh, and Bishop Charles Shaw of Huntington speak to participants at an ACT Now meeting in March 2023.

MATCH REQUIREMENTS + REGULATORY OVERVIEW

Match requirements, often referred to as "cost-sharing" or "non-federal match requirements" are the portion of a project or program's cost not allocated from federal funding sources. These requirements usually take the form of a percentage of an agency's announcement funding opportunity, and they take the form of cash (in-hand) or in-kind (labor). Match requirements are stated to serve as an "expression of community buy-in and sustainability", despite their almost default utilization for federal grantmaking opportunities.

Per guidance of the Office of Management and Budget (OMB), derived under statutory authority (31 U.S.C. 503), voluntary match is not required, but agencies are able to require committed match. Unless otherwise stated in statute or regulation, agencies are free to not require matching funds. Additionally, the haphazard distinction between various federal programs on the acceptability of in-kind matching funds in addition to or instead of cash match, erodes any equitable outcomes that may be created from the stated purpose of imposing matching requirements (10 U.S.C. § 2684a).

A strict reliance on cash match for community projects is said to demonstrate that the applicant has "skin in the game" and is dedicated enough to the project that they are able to raise external funds. However, for distressed and rural communities, a lack of capital match severely discredits a community's need, commitment and desire to successfully complete a project.

Match requirements are also applied to programmatic and construction projects in the same fashion but with significantly different impacts. While many federal grants can be utilized for either type of project, an agency's application of match requirements can negatively reinforce cash match requirements for programmatic initiatives that make more sense when applied to brick-and-mortar construction projects. For instance, construction projects typically must have cash to complete the physical project. Non-construction or programmatic projects can complete the projects with federal cash and in-kind project match resources that are more diverse than cash on hand, demonstrating commitment to the project and the applicant's "skin in the game." Since organizations are unable to take into account the value of personnel, goods, and services (including direct and indirect costs) used to calculate in-kind match, programmatic grants inherently lose out on capturing the community buy-in, partner support, and momentum that their project should be catalyzing to ensure project success.[14]

Match requirements are set at the discretion of individual agencies, this report examines the impacts of match requirements for the top four priority agencies identified by survey respondents: the Appalachian Regional Commission (ARC), the US Department of Agriculture - Rural Development (USDA), the US Economic Development Administration (EDA) and the US Environmental Protection Agency (EPA). Each agency is analyzed for regulatory guidance and requirements relating to match requirements, program impacts of match, and recommendations for potential program adaptations to address the barriers that stringent and inflexible match requirements are creating for rural communities.

14) https://www.nicwa.org/wp-content/uploads/2016/11/2012_GrantMatch_FactSheet.pdf

APPALACHIAN REGIONAL COMMISSION (ARC) MATCH REQUIREMENTS + RECOMMENDATIONS

Regulatory Authority: 2 CFR §200.306 "Cost Sharing or Matching"

Regulatory Analysis

States are required to set forth their annual Strategy Statement with the State's matching requirements within the allocation limits imposed by the Appalachian Regional Development Act (ARDA).[15] The Agency has the ability to set matching requirements within those parameters, up to 50% and with increased federal percentages for distressed and at-risk counties, as set by Code (40a U.S.C. §§ 1-405 (Suppl. 1 1964)). The Appalachian Regional Commission (ARC) has extremely limited discretion to waive or reduce program match requirements, especially for non-municipal applicants. CFR 200.306 enables match requirements per ARC's enabling statute, ARDA further specifies the range at which the Agency can set those thresholds. Matching requirements are set within that threshold at the program level.

Percentage limitations on match for distressed and other designated counties do not automatically apply to discretionary grants made by the Commission to implement significant regional initiatives, to take advantage of special development opportunities, or to respond to emergency economic distress in the region. While ARC has limitations on its authority to change match requirements, it does have a unique benefit that most other federal agencies cannot access. Unlike most other federal agencies, the ARC, per its enabling statute, is authorized to consider other federal funding sources toward eligible match requirements for its programming.

This unique consideration makes the ARC more equitable in its consideration of what constitutes an eligible match than most of its other federal counterparts. However, growing program award sizes adversely impact communities without tangible financial resources and should highlight the need for ARC to be granted the ability to waive match via its discretionary programs.

Program Outcomes/Examples

New legislatively mandated programs, such as those enacted in the Infrastructure Investment and Jobs Act, provide the ARC with an opportunity to drastically reduce the fiscal barrier endured by rural and distressed communities.

The Infrastructure Investment and Jobs Act (IIJA) provides ARC a total of $1 billion over five years, starting in FY 2022 with $200 million annually to accelerate economic development in Appalachia.

In 2021, eleven community economic development organizations advocated to the Biden Administration for transformational investments in rural America, including an investment of this size in ARC. This proposal, titled "Building Back Rural America

15) https://www.arc.gov/wp-content/uploads/2021/12/Appalachian-Regional-Development-Act-Amended-2021.pdf

through Transformational Federal Investments", was mirrored by advocacy from the WV Municipal League and state economic development authorities. All community economic development and municipal partners advocated for a $1 billion dollar increase in ARC funding because of the impact and historic value of the agency's work in West Virginia, and the awareness that it was a federal leader in rural investments.

This incredible investment in ARC has created a unique, likely once in a lifetime opportunity for increased investments from the agency into the region. The opportunity this investment creates further highlights the need to proactive address current barriers to accessing federal funding for rural communities. ARC has undertaken strategies to begin to address barriers to communities accessing federal funding, as discussed here and below. Additional strategies would be beneficial, particularly for rural applicants.

In October of 2022, the ARC announced a new funding opportunity geared at supporting Local Development Districts via its community-capacity building initiative, *READY* Appalachia.[16] This opportunity, which provides awards of up to $100,000 ($2 million total available), is intended to help identify, access, and manage federal funds allocated from the American Rescue Plan Act, the Infrastructure Investment and Jobs Act, and other federal funding sources. Notably, this program has no local match requirements for applying entities.

This program has had remarkable success in West Virginia. Despite encompassing only 14.6% of Appalachia's population, West Virginia's Local Development Districts received 25% of all funds granted during READY Appalachia's 2023 cycle, including funding for all 11 of the state's regional planning and development councils.

Waiving or reducing program match requirements, similar to the READY Appalachia program, enables rural communities to competitively seek federal grantmaking opportunities that they would otherwise be priced out of. Per Governor Jim Justice's "STATE APPALACHIAN DEVELOPMENT PLAN AND ANNUAL STRATEGY STATEMENT" (FY2022) submitted to the ARC, rural communities, who would otherwise benefit from this programming, are outperformed by urban communities due to their smaller tax bases and fewer philanthropic partners that can provide the matching funds necessary. Similarly, according to the same report, rural residents often live in areas without a central municipal government that can act as a mechanism to manage public spaces, services, and seek and steward federal funds dedicated to development.

According to a 2022 report on municipal finances published by the Bureau of Business and Economic Research in John Chambers College of Business and Economics at West Virginia University, West Virginia's 230 municipalities are varied, reflecting diverse geographic, economic, and demographic contexts.

The state's 44 Class III cities, with populations ranging between 2,000 and 10,000, illustrate the diversity of municipal conditions and contexts. These counties fall within the array of the ARC's County Economic Status classifications, and being solely based

16) https://www.arc.gov/news/arc-launches-new-funding-opportunity-to-support-local-development-districts-serving-distressed-areas-and-marginalized-groups/

on population, do not accurately reflect a communities capacity to compete for federal awards. The same report states that approximately 55% of all municipalities with populations at or below 10,000 residents do not have a rainy-day fund or similar reserve account to address emergent short-term financial needs that may be necessitated by a forthcoming and unexpected applicable federal award announcement.

MUNICIPALITY CLASS	POPULATION SIZE	NUMBER OF MUNICIPALITIES
CLASS I AND II	>10,000	13
CLASS III	>2,000 AND ≤10,000	44
CLASS IV	≤2,000	173

ARC's 'County Economic Status' map for fiscal year 2024 classifies 18 of West Virginia's 55 counties as Distressed (within the worst 10% of United States counties). Another 12 counties are classified as At-Risk (or between the worst 10-25% of United States counties). The rest of West Virginia's counties are classified as Transitional (or within the bottom 25% and top 25% of United States counties), with only Jefferson County being Competitive (between the best 10-25% of United States counties).

However, despite the remaining 32 of West Virginia's being classified as Transitional, this county-level analysis often misrepresents the fiscal reality of municipalities that may be situated within a county that has greater economic stability than the municipality itself. These municipalities, covering less geographic area than the county and with a smaller population and tax base, often experience lesser economic conditions than what's demonstrated at the level of consolidated county data.

ARC's statutory authority enables it to increase the allowable federal share of funding available, and there is the opportunity for this funding to be combined efficiently with funds from other federal partners. ARC devoted $10 million of The Infrastructure Investment and Jobs Act (IIJA) funds to collaboration and capacity building in communities through FY 2022 with the goal of achieving economic equity. This enhanced capacity and available funding enables states to design large-scale transformational projects that might otherwise have a local match barrier.

Initiatives such as these are critical in adding capacity when match barriers might otherwise be prohibitive. However, the usage of match waivers within the agency also allows for barriers to be diminished. Much of the match waiver process is dictated by whether a governor or their alternate request one on behalf of a distressed county, which further complicates the process for local government entities that would benefit most from the revenue freed by or a project implemented with a match waiver and for those that do not meet the necessary classification based on their economic status.

Alternative processes are necessary to simplify the match waiver process for impacted communities, and to potentially make waivers eligible for organizational applicants. This would allow greater collaboration between governors' offices and local applicants, increase the understanding regarding individual project and community needs, and allow for a more comprehensive understanding of project capital stacks.

Potential grantees in border counties often partner with other states, such as Maryland, to pursue funding opportunities due to their trend of working with governors' offices to pursue expanded usage of match waivers.

Much of the waiver process and match requirement determination is dictated by the agency's economic classification system, which is often not reflective of economic realities at the community-level. A 2021 report published by the ARC, in conjunction with the Urban Institute, determined that expansion of the definition of underserved populations and places in Appalachia was needed, and that goal-setting was needed for reaching them through grantmaking activities.

Similarly, a July 2023 report published by the ARC on INSPIRE program outcomes highlighted that a majority of focus group participants most commonly identified the requirement for cost sharing or matching as a barrier to the application process. While the identified suggestion for improvement was for the ARC to provide a tool to help calculate matching requirements, this does not adequately address the fact that many communities are unable to afford this sum regardless.

ARC Match Recommendations

BARRIER SOLUTION

The Appalachian Regional Commission should utilize the opportunity of its increased current budget to create new funding programs to pilot new match reduction strategies, including by including language in Notice of Funding Opportunities (NOFO) that expressly states available processes for seeking match waivers for applicable programs.

Beyond new program potentials that may emerge from the IIJA investment, ARC should evaluate the potential for reduced and/or waived match for impactful programs that do not have explicit regulatory guidance around match.

While most of the ARC's programs require cost share or match funding by statute regulatory, the agency has the ability to waive matching requirements if not otherwise specified via law. ARC should implement a match requirement waiver process for programs where match isn't specified in statute or in regulation, with an emphasis on newly created, transformative programs, via sub-regulatory guidance.

US DEPARTMENT OF AGRICULTURE - RURAL DEVELOPMENT (USDA) MATCH REQUIREMENTS + RECOMMENDATIONS

Regulatory Authority: 7 CFR § 3430.52 "Cost Sharing and Matching"

Regulatory Analysis

USDA Rural Development offers more than 70 programs to support rural places by operating programs that span single-family housing, multi-family housing, and community programs (community facilities, rural community development, etc.). These programs, over the lifetime of Rural Development, have invested over $4.5 billion in West Virginia communities, invested in over 26,000 projects, and invested $693 million in Socially Vulnerable Communities.

Agencies, when given the authority to do so, have the ability to drastically reduce unintentional barriers for rurally focused programs by being cognizant of both their capital and capacity limitations via rulemaking and legislative intent.

While the CFR specifies USDA's requirements for the acceptance and calculation of matching requirements, it does not set specific requirements for cost-sharing at the program-level in general for the agency. USC § 200.306 references cost-sharing as an eligibility criterion and includes both requirements for programs derived via statute and grounded in the agency's own regulatory authority due to its rulemaking authority.

While the agency as a whole has more authority to set program-level match requirements, most Rural Development program match requirements are specified in statute, due to focused legislation on rural development (Farm Bill; Rural Development Act), which specify matching levels for loans and grants that could be expounded upon in rulemaking but not negated.

Program Outcomes/Examples

Similar to the programs listed above, and parallel to Rural Development's mission, the 'Rural and Tribal Assistance Pilot Program' was created under the Infrastructure Investment and Jobs Act under the jurisdiction of the Department of Transportation.

These grants carry no match requirement in statute, and no matching requirement was placed upon it via regulatory rulemaking. The awards may be used to hire staff or advisors to assist with transportation infrastructure development activities such as: feasibility studies, preliminary engineering and design, environmental review and financial feasibility analysis for early stage development assistance projects. The program has a simple, four-page funding application and will begin accepting submissions in August of 2023. The funding opportunity makes $3.4 million available for its current round, with individual awards ranging from $150,000 to $360,000 for FY2023.

The Rural Community Development Initiative (RCDI), focuses on improving housing, community facilities, and community economic development projects in rural areas. The program prohibits construction and planning fees. It offers an award range of between $50,000-$500,000 and requires a one-to-one (1:1) match per statutory necessity, as enacted under H.R. 1906 (1999).

The Rural Community Development Initiative is an example of a program that requires match funding by law that must be, "in an amount not less than the funds provided", and a maximum award of $500,000.[17] Undue restrictions are placed upon applicants that wish to utilize this award for a simple reason - the Notice of Funding Opportunity restricts the usage of in-kind match contributions for usage in the program.

Carrie Staton of the Northern West Virginia Brownfield Assistance Center talks with ACT Now Coalition organizational partners at a meeting in November 2023.

With no regulatory guidance or publicly available memoranda or directive prohibiting in-kind contributions toward match, the agency should consider removing the prohibition on the usage of in-kind match. For programs that seek to determine community buy-in while also driving community development, restricting the use of in-kind resources to document community buy-in and reduce cash project costs can cause grantee organizations to potentially offer less services because partners have contributed fiscally to a project and are no longer able to contribute programmatically to ensure its continued success.

Allowing for increased usage of in-kind match as eligible match for the RCDI program will further reduce the administrative burden for non-Federal entities and Federal agencies and shift more resources toward accomplishing the program mission.

USDA Barrier Analysis and Internal Recommendations

A recommendation presented in the USDA Equity Commission's report titled 'Interim Report 2023' is meant to "Support legislation to provide standing authority and accountability for the Secretary and senior leadership to carry out a continuous program to improve the equitable availability and distribution of services and program benefits to all eligible American residents".[18]

From the evidence collected from stakeholders within West Virginia, as contained in this report, and elsewhere, it is clear that match requirements within USDA programs constitute a major barrier for communities seeking federal assistance programs.

17) https://www.govinfo.gov/app/details/PLAW-106publ78

18) https://www.usda.gov/sites/default/files/documents/usda-ec-interim-report-2023.pdf

A sub-recommendation of the Equity Commission report also states that, "if the Secretary identifies an opportunity to improve equity in a particular program or service but lacks authority to make the necessary changes, Congress shall be notified and provide a recommendation for a legislative change. If the Secretary identifies the need for additional resources to improve equity, Congress shall be notified and provided an explanation of the needed resources".

The undue burden that match requirements have on communities' success in attaining a federal award reasonably meets the benchmark for a troubling equity concern that should be addressed at the agency level.

The agency has already made similar advancements in other programs, as stated in Secretary Vilsak's February 2023 response to the Equity Commission's findings.

These alterations were made in regard to the Forest Service, and in July of 2022, the agency introduced significant interim policy changes for public-private partnerships and cooperation agreements. The direction removed barriers that were preventing equitable access to partnerships and created a process to reduce or waive match requirements that are not statutorily required. The new policy waives match requirements for all agreements with Tribal governments and allows Forest Service leaders to reduce or waive policy match requirements for partners that serve underserved communities.

USDA Recommendations

BARRIER SOLUTION

The USDA should engage in a formal notice of public rule-making (NPRM) process to determine the impact of waiving match for programs where it is not required in either statute or regulation based upon the success of other programs in accordance with the findings of the USDA's Equity Commission.

USDA Rural Development should develop changes to rules via a notice of proposed rulemaking (NPRM) in accordance with the Administrative Procedure Act (APA) and in line with the impetus of the Justice40 Initiative addressing the match concerns for programs for which match requirements are not specified in statute and for which equity is paramount.

These should give due consideration to the equity impacts that imposing stringent match requirements on rural-focused programs has on the impact of federal investment and the communities that are able to readily access federal programs designed to help low-resource/capacity communities. Impactful, applicable USDA programs that should be under consideration for this action are listed in the appendix.

Alecia Allen moderates a conversation during the Federal Community Development Funding Training in Huntington, West Virginia in November 2023.

The USDA should also revisit whether prohibiting in-kind contributions to count toward programmatic community development grant programs accurately reflects the value of the programs invested in by offering significant guidance on the topic. Evaluation by the Equity Commission on this specific topic would be of value to the agency and to rural communities throughout the country.

US ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) MATCH REQUIREMENTS + RECOMMENDATIONS

Regulatory Authority: 3 CFR § 301.5 "Matching Share Requirements"

Regulatory Analysis

As a general rule, the maximum EDA Investment Rate for all projects shall not exceed 50% of a project's cost, plus up to an additional 30% based on the relative needs of the region in which the project is located. EDA determines the relative needs of a region by prioritizing allocations of its investment based on the level of economic distress instead of a preference for specific geographic areas or type of economic distress.

Match funds for EDA programs may include funds from another federal agency only if authorized by statute. The EDA determines its required match percentages as follow:

PROJECTS LOCATED IN REGIONS IN WHICH: MAXIMUM ALLOWABLE INVESTMENT RATES (%)	
A	The 24-month unemployment rate is at least 225% of the national average (80%); or
B	The per capita income is not more than 50% of the national average (80%).
C	The 24-month unemployment rate is at least 200% of the national average (70%); or
D	The per capita income is not more than 60% of the national average (70%).
E	The 24-month unemployment rate is at least 175% of the national average (60%); or
F	The per capita income is not more than 65% of the national average (60%).
G	The 24-month unemployment rate is at least one percentage point greater than the national average (50%); or
H	The per capita income is not more than 80% of the national average (50%).

SOURCE: Title 13 of the Code of Federal Regulations; Chapter III—Economic Development Administration, Department of Commerce

Program Outcomes/Examples

The EDA operates mainly under the Public Works and Economic Development Act of 1965, which is codified in 42 U.S.C. 3121. This statute provides most of the legal framework for grantmaking programs under the EDA's jurisdiction, and outlines the agency's mission and authority to advance economic development and job creation in distressed areas.

According to an October 2021 report on EDA grant funding conducted by the Urban Institute, less populous states, including Alaska, Maine, Iowa, Montana, South Dakota, West Virginia, and Wyoming, received higher total EDA project investment per capita.[19] However, this per capita calculation can be understood by 1) the relatively high cost of projects in these states, 2) their lower population impacting calculations, and 3) the relative increased need of substantial investment in these areas.

The EDA has several regulatory and statutory barriers that make determining eligible match requirements challenging for communities. In the case of a grant to a State, or a political subdivision of a State, the Secretary determines whether a community has exhausted the effective taxing and borrowing capacity of the State or political subdivision. In the case of a grant to a nonprofit organization, the Secretary determines whether the nonprofit organization has exhausted its effective borrowing capacity.

In cases where these determinations are made, the Secretary may increase the Federal share above the percentage specified in subsection (a) up to 100 percent of the cost of the project. However, EDA applicants have been advised at times that even in instances where match is waived or limited, lack of match may negatively impact a project's score and likelihood of funding success.

The program areas authorized by the Public Works and Economic Development Act of 1965 include:

- **Public Works**
- **Economic Adjustment Assistance**
- **Planning**
- **Local Technical Assistance**

These program areas have remained largely stable since the agency's creation, however, numerous programs have been implemented since the agency was first authorized. Most EDA programs require non-federal match and score the inclusion of match as a competitive element when selecting projects for approval.

For example, the Build to Scale program, like many EDA grantmaking programs, requires that an awardees matching share must be available as needed, unencumbered, and

19) https://www.urban.org/sites/default/files/2023-10/The%20Location%20of%20Economic%20Development%20Administration%20Grants.pdf

committed at the time of application. This requirement for EDA programs is specified in 82 CFR 57053. This prohibits a program's future income from being considered as eligible project match, despite the fact that this income will contribute to the overall fiscal health and sustainability of the project.

With funds only committed at the time of application counting towards allowable match, external funders, such as private and philanthropic funders, that approve funding on an annual or quarterly basis are sometimes unable to respond to a funding request for an EDA opportunity where an application is due out of cycle with the funder's grantmaking schedule. Increased federal award sizes also limit funder match opportunities, as philanthropic match may be tied up with pending federal grant applications, limiting funder resources.

ACT Now Coalition partners convene at the Kanawha County Public Library in the Greater Kanawha Valley Foundation Meeting Room to discuss projects and cross-collaboration.

Other restrictions under EDA programming have also made it difficult for projects to reach their intended outcomes. One specific example brought up by survey stakeholders was in the area of workforce development funding, a significant sector within the community economic development field. Programs such as the EDA's Build Back Better Regional Challenge, as well as all others, prohibit the utilization of award funds to offset trainee wages. This necessitates that awardees seek and utilize other funding sources to offset the cost of trainee wages at the expense of other program outcomes.

Without the ability to offset these wages, the EDA's mission to utilize related programming to impact historically underserved populations and areas, communities of color, women, and other groups facing labor market barriers is eroded.

EDA recognized the limitation this prohibition created on impactful and eligible projects across the country and, listening to applicants, removed this prohibition in the Recompete Pilot Program. As part of President Biden's Investing in America agenda, the Distressed Area Recompete Pilot Program (Recompete Pilot Program) – authorized by the CHIPS and Science Act – will invest $200 million toward interventions that spur economic activity in geographically diverse and persistently distressed communities across the country. This program acknowledges that rural communities are grappling with shifting economic realities and that increased investment and expertise are required to carry projects to completion.

The adaptations EDA made to program funding restrictions prior to the launch of the Recompete Pilot Program is a significant example of an agency adapting internal requirements in response to applicant challenges, and sets a good model for other federal agencies about how adaptations can be made in real time to new and emerging programs.

BARRIER SOLUTION

The EDA should implement basic flexibility around match requirements since the prioritization of committed and unencumbered match requirements negatively impacts low-resourced localities and organizations.

Coal miners mural located in Richwood, West Virginia.

The EDA should continue the adaptations and learning that have developed under recent major funding initiatives to evaluate what program funding restrictions are prohibiting effective program impacts in rural and distressed communities and remove those barriers where possible.

The EDA should also allow for capital match to be committed but not received at the time of application and stay committed moving forward if other eligible funding is available to serve as match for the project throughout the process.

US ENVIRONMENTAL PROTECTION AGENCY (EPA) MATCH REQUIREMENTS + RECOMMENDATIONS

Regulatory Authority: 2 CFR 200.306(b)(5); 2 CFR 200.306; 2 CFR 200.458; 2 CFR 1500.9

Regulatory Analysis

The EPA derives its regulatory authority from various environmental laws enacted over the years that creates a piecemeal roadmap between what is allowable under statute and what is under the purview of the agency's regulatory authority. Key legislation includes the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act, and others that empower the EPA to regulate and implement environmental standards and programs.

According to a brief provided by the agency in 2023, "Match requirements are dependent on each program. Some have match requirements required by statute and the program would not have the authority to provide waivers. Some programs have chosen to require match, and in those cases, waivers may be an option".

EPA may not waive statutory cost share requirements unless the statute itself provides authorization and waivers of regulatory match requirements must meet the requirements of 2 CFR 1500.4. These exceptions are only granted by the Director of the Office of Grants and Debarment or their designee or by the EPA Director for EPA program specific assistance regulations for those which are not predicated on statute or executive order.

In some circumstances, EPA has the authority to provide cost share waivers to disadvantaged communities upon request and consider several factors to determine whether a community is disadvantaged and would qualify for a waiver for community grants.[20] Per the EPA, the criteria to be considered when seeking a cost-share waiver are:

- **Community median household income (MHI) is less than 80% of state MHI.**
- **Communities with $25,766 or less upper limit of Lowest Quintile Income.**
- **Communities with ≥ 30.9% population living under 200% of poverty level.**
- **Communities within census tracts that have a poverty rate greater than or equal to 20%.**
- **Communities with ≥ 3.4% unemployed population ≥ 16 years in civilian labor force.**
- **Communities with ≥ 12.1% vacant households.**

20) https://www.epa.gov/system/files/documents/2022-10/Community%20Grants%20Program%20Implementation%20Guidance.pdf

- **Communities in a county with a Social Vulnerability Index score higher than 0.80.**
- **Combined sewer and drinking water costs are greater than 2% of the 20th percentile household income (i.e., the Lowest Quintile of Income for the Service Area).**
- **Communities with ≥ 11.7% population receiving food stamps/SNAP benefits.**

Any grantmaking made through Superfund State Contracts for Superfund Response Actions requires matching funds as authorized by statute, and there is no regulatory flexibility in this. Funds used for match requirements under any other Federal grant are ineligible to be used under a Core Program Cooperative Agreement.

The EPA was given the authority to waive certain match requirements in response to the COVID-19 pandemic and in other emergency situations. However, these waivers are typically granted on a case-by-case basis and may involve relaxing or adjusting specific regulations to provide flexibility during challenging circumstances, as mentioned above.

Recently, the EPA has been able to waive the match requirements if a recipient was unable to meet the requirement due to budget constraints as a result of the COVID-19 pandemic. The future of this is to be determined with the removal of the federal government's State of Emergency declaration relating to the pandemic. However, it is sufficient to say that longstanding fiscal impacts exist within communities despite the rescinding of a State of Emergency Declaration.

The recommendation to expand the usage of match waivers advocated for in this report does not address emergency declarations, such as the COVID-19 pandemic, that derive their authority from the Stafford Act of 1988 (.2 U.S.C. §§ 5121-5207).

Program Outcomes/Examples

The EPA's utilization of waivers, regardless of those waivers made due to budget implications due to the COVID-19 pandemic, have generally been endorsed by the agency and supported by public stakeholders in the past, and it would be prudent for the Agency to continue utilizing match waivers for applicable programs.

As recently as July of 2022, the EPA published a rule notice proposing to issue a waiver regarding the Build America, Buy America Act's Small-Projects Program. According to the decision memorandum published by the Agency on September 26, 2022, the public comments received were overwhelmingly supportive of the waiver.

EPA analysis found that of the 39 public comments received, 29 were supportive of match waivers, with their main complaint being that they would have preferred to see a higher match threshold than the $250,0000 proposed by the agency.

Most of those that opposed the waiver did not do so because they believed that waiving match requirements would be beneficial but because the waiver amount was tied to Small Acquisition thresholds under federal procurement guidelines.

Brianna Hickman, the CBRI Projects Director at The Hub, speaks with ACT Now Coalition partners during a quarterly meeting in Charleston, West Virginia.

The remaining public comment respondents, despite not directly responding to language surrounding the proposed match waiver, instead highlighted their challenges with the general provisions of Build America, Buy America, or about how the match waiver is impacted for projects with funding from multiple agencies. This includes how funding external from EPA that carries a match requirement impacts the ease and success of project completion since EPA funding associated with the project would not have to have reciprocal match included in the project's capital stack.

According to the agency's own waiver decision, The Infrastructure Investment and Jobs Act (Section 70914(b)(1)), grants the Administrator the ability to waive requirements to enhance the public interest if inaction would negatively impact the public.[21] It identifies the, "critical need to reduce administrative burden for recipients and agencies to ensure that recipients can effectively carry out the EPA-funded activity in a timely manner thus reducing the risks to human health and environment" as the rationale for the creation of the waiver.

Under The Infrastructure Investment and Jobs Act (IIJA), EPA's State Revolving Fund works like this in some situations, with 100% federal funding (i.e. grants without a match requirement) for toxic lead water pipe replacement in disadvantaged communities. This approach would be consistent with the Biden's administration Justice40 Initiative and with the agency's own internal guidance.

The IIJA authorizes the Administrator to waive the requirements of Build America, Buy America if implementation would be inconsistent with the public interest. Due to the critical need to reduce the administrative burden for recipients and agencies to ensure recipients can effectively carry out the EPA-funded activity in a timely manner thus reducing risks to human health and the environment, it is in the public interest to waive Build America, Buy America requirements for small projects.

Similar to the rationale for creating match waivers under section 70914(b)(1) of the IIJA, federal agencies also routinely expedite processes and implement emergency guidance to steward funding during instances of national emergencies and other environmental events. According to a 2023 report from the Brookings Institute, state and local

21) https://www.epa.gov/system/files/documents/2022-09/Small%20Proj%20Gen%20App%20Waiver%20BABA%20EPA.pdf

governments pay a higher share of disaster costs for less severe events that do not exceed the federal disaster declaration threshold.[22] For these kinds of adverse events, these regions also suffer longer-term losses in housing, economic activity, and other sources of useful revenue. These occurrences negatively impact the financial volatility of local government entities, community organizations, and businesses to respond to and rebuild after such an occurrence.

The Stafford Act states that, states in part that: "All requests for a declaration by the President that a major disaster exists shall be made by the Governor of the affected State." However, to consider the expansion of match requirement waivers in this context, special consideration should be given to those declarations that do not require an all-of-government approach to intervention and are indicative of the local impact of the adverse event.

These include major disaster events such as any natural or man-made event that has caused damage of such severity that it is beyond the combined capabilities of state and local governments to respond. Such events include hurricanes, tornadoes, storms, high water, wind-driven water, tidal waves, tsunamis, earthquakes, volcanic eruptions, landslides, mudslides, snowstorms, droughts, fires, floods, or explosions.

They also differ vastly from large-scale disaster declarations, such as the COVID-19 pandemic, that initiate the large-scale disbursement of funds across federal agencies, normally in the form of formula grants guaranteed to sub-national units.

According to data provided by FEMA, West Virginia has experienced more flooding natural disasters since the 1950s than any state except for California and Texas. Findings from West Virginia University's Science, Technology, Policy, and Communications Initiative emphasize the out-of-date floodplain mapping tools that federal entities use to assess risk for West Virginia's communities, often in regard to floodplains.

EPA Recommendations

BARRIER SOLUTION

The EPA should continue to request a continuation or expansion of the usage of waivers for match requirements if a recipient is unable to meet the requirement due to budget constraints as a lingering result of the COVID-19 pandemic, federally declared disasters within the last 5 years, or economic distress as defined by the lowest 10 percent of United States counties. This should follow FEMA's definitions for disaster declarations.

22) https://www.brookings.edu/articles/as-disasters-become-more-costly-the-us-needs-a-better-way-to-distribute-the-burden/

RECOMMENDATIONS: APPLICATION REVIEW, REQUIREMENTS, AND TIMELINE

Melissa Colagrosso, CEO of A Place to Grow Children's Center in Oak Hill WV presents on childcare barriers at The Hub's Southern Community USDA Rural Partners Network convening in February 2023.

OFFICE OF MANAGEMENT AND BUDGET REQUIREMENTS + RECOMMENDATIONS

Regulatory Authority: Title 2 of the Code of Federal Regulation (CFR), subtitle A, chapters I and II

Regulatory Analysis

Working cooperatively with the grantmaking agencies and the grantee community, OMB leads development of governmentwide policy to assure that grants are managed properly and that Federal dollars are spent in accordance with applicable laws and regulations.

The OMB can readily facilitate a more expedient federal grant making process through various means, such as, 1) streamlining application processes, 2) reducing administrative requirements, and 3) by providing clearer guidelines to agencies and by mandating that agencies produce clearer guidelines. Through its authority, the OMB is able to set standards for grant application requirements, simplify reporting procedures, and offer tools to enhance transparency and efficiency within the federal grantmaking process. Additionally, the OMB is able to collaborate with and across federal agencies to standardize grant procedures and to develop and implement best practices to make it more straightforward for other granting agencies and grantees to navigate the process.

Many organizations do not have the grant writing capacity to pursue intensive grant application processes under a short timeline with such stringent requirements. This is supported by a May 2023 report from the Government Accountability Office (GAO), which states that greater transparency, management streamlining, internal controls and oversight, and lack of capacity all severely inhibit the ability of a granting agency to successfully deploy funds.[23]

On average, grant applications are due to the funding agency for consideration between 30 and 60 days after the funding announcement is made available.[24]

23) https://www.gao.gov/products/gao-23-106797

24) https://sharing.nih.gov/other-sharing-policies/research-tools-policy

Nearly one-fifth of all survey respondents indicated that the application requirements, including the timeline of application, were a barrier to them soliciting and receiving federal funding.

This is often not enough time for smaller organizations and municipalities to gather the necessary documentation for application, secure sustainable partnerships to finance and support their projects, and to build community support for a project that may not have been previously vetted.

Agencies routinely offer guidance documents dictating sub-regulatory guidance for agencies and programs which could help to assure that agencies appropriately make their upcoming award opportunities publicly accessible in a timely fashion. This guidance is subject to their own internal regulatory rulemaking, which is mitigated by the OMB's regulatory review.

However, Section 515 of the Treasury and General Government Appropriations Act for Fiscal Year 2001 (Public Law 106-554) authorizes OMB to issue government-wide guidelines that, "provide policy and procedural guidance to Federal agencies for ensuring and maximizing the quality, objectivity, utility, and integrity of information (including statistical information) disseminated by Federal agencies".[25]

One such issue that could be addressed by this authority is for OMB to mandate that federal agencies submit grantmaking timeline calendars as a component of their initial budget submissions to the OMB. These grantmaking calendars provided to OMB would forecast expectant grantmaking programs for each agency. Upon approval of their budgets by Congress, agencies should then make their final grantmaking calendars available to the public.[26]

Agencies are aware of the funding available for grantmaking programs once funding becomes available via the annual appropriations process. The timeline for this process is standard each year, though it is highly dependent upon the timing of when Congress passes the annual budget.

25) https://obamawhitehouse.archives.gov/omb/fedreg_final_information_quality_guidelines/#:~:text=Section%20515%20directs%20the%20Office,statistical%20information)%20disseminated%20by%20Federal)

26) https://www.thecre.com/forum2/wp-content/uploads/2015/08/haeder-and-yackee-2015-influence-and-the-administrative-process.pdf)

1. FEDERAL AGENCIES CREATE BUDGET REQUESTS AND SUBMIT THEM TO THE WHITE HOUSE OFFICE OF MANAGEMENT AND BUDGET (OMB).
2. OMB REFERS TO THE AGENCIES' REQUESTS AS IT DEVELOPS THE BUDGET PROPOSAL FOR THE PRESIDENT.
3. THE PRESIDENT SUBMITS THE BUDGET PROPOSAL TO CONGRESS EARLY THE NEXT YEAR.
4. PROPOSED FUNDING IS DIVIDED AMONG 12 SUBCOMMITTEES, WHICH HOLD HEARINGS. EACH IS RESPONSIBLE FOR FUNDING FOR DIFFERENT GOVERNMENT FUNCTIONS SUCH AS DEFENSE SPENDING OR ENERGY AND WATER.

Similar to how agencies submit regulatory dockets biannually, agencies should also make a list of expectant upcoming funding opportunities publicly available upon the finalization of that agency's budget for the upcoming fiscal year. This would advance the Administration's goal of providing simplifying notice of funding opportunities for entities that have less experience.

BARRIER SOLUTION

When agencies are notified of their congressionally approved annual budget, they should be able to reasonably forecast the availability of funding opportunities in a transparent manner to the public. This transparency should include providing a quarterly, seasonal or biannual list of anticipated and planned upcoming funding opportunities to the general public. This relatively low-cost solution would enable communities to better plan for upcoming funding opportunities and would present a minimal obstacle to agencies who engage in grantmaking.

While the OMB is the logical leading federal entity for implementing such a widespread, top-down approach to streamlining the federal funding process and increasing transparency across funding opportunities, funding agencies also impact this process as the lead entities responsible for implementing any prospective changes. Sans any new programming included in any appropriations bill or other legislation, agencies are normally aware of their grantmaking timelines, and should therefore find it easy to provide the required information.

This would ensure that capacity limited entities are aware of upcoming announcements and will better aid in their competitiveness because it will enable proper time for planning, partnership development, and due diligence. This will present a relatively unburdensome process for federal granting agencies, as they already develop internal guidance for program rollout and timelines for funding opportunities.

By making these announcements publicly available upon confirmation of a finalized agency budget and appropriation, communities would have advanced knowledge of expectant programming and are more likely to submit robust, competitive, and cohesive applications for funding opportunities. This not only increases the likelihood of success for low-capacity communities, but it would also make program implementation more successful as agencies are presented with a more thorough docket of prospective projects during the application phase.

Another significant challenge that rural communities face in accessing federal funding is the payment of indirect costs for projects. OMB has the authority to impact this barrier through the de minimis rate that is set for all federal grant indirect rates.

> "As a grass-roots community non-profit, leveraging matching money for federal investment is a huge challenge… Our AmeriCorps grant is just over $1,000,000 and requires a match of 50%. We act as a rural intermediary, and this match burden is too big for many of our small partners… The de minimis [federal grant funds to pay for indirect costs] of 10% is simply too small to actually provide the capacity you need. Changing the de minimis to 20% for organizations without a negotiated indirect cost rate would be a big step in the right direction."

Sara Riley, Executive Director of High Rocks

The revision to 2 CFR 200.414(f) in 2013 expanded use of the de minimis rate of 10 percent of modified total direct costs (MTDC) to all non-Federal entities. Currently, the de minimis rate can only be used for non-Federal entities that have never received a negotiated indirect cost rate. The use of the de minimis rate has reduced burden for both the non-Federal entities and the Federal agencies for preparing, reviewing, and negotiating indirect cost rates.

Since the publication of 2 CFR in 2013, both Federal agencies and non-Federal entities have advocated expansion of the de minimis rate for non-Federal entities. The Biden Administration has proposed expanding the de minimis rate from 10% to 15% and prohibiting the compulsion by federal agencies for applicants to take less than the de minimis rate.[27] Agencies or agency staff encouraging applicants to take less than the de minimis rate is a practice that survey stakeholders noted happens frequently with federal grant applications as a strategy to improve competitiveness. This shifts the cost burden from funders to applicants and contributes to stretched and reduced capacity for entities that do not have a negotiated indirect cost rate.

The de minimis rate change recommendations currently pending before OMB would further reduce the administrative burden for non-Federal entities and Federal agencies and shift more resources toward accomplishing the program mission.

Office of Management and Budget Recommendations

BARRIER SOLUTION

The OMB should require that federal grantmaking agencies submit an annual grant timeline calendar in tandem with their budget request to the OMB. This calendar should be published once a finalized agency budget is approved to ensure that communities have advance notice to prepare for forthcoming funding opportunities.

The OMB should increase the de minimis indirect rate for all eligible applicants from 10% to 15% and prohibit the encouragement that applicants take less than the de minimis indirect rate as a strategy to increase application competitiveness. The de minimis indirect rate requested by the applicant should not in fact or theory impact the scoring of applications.

Interagency Councils should conduct an analysis of the allowable expenditures determined in NOFOs to determine if current restrictions impact project attainment and completion in distressed and rural communities, as not determined by law, to further the mission of the Justice40 Initiative.

27) New citation: https://thenonprofittimes.com/npt_articles/feds-propose-improvements-to-grants-rules/

INNOVATIVE APPROACHES

Stephanie Tyree, Executive Director of the WV Community Development Hub, presents at the USDA Federal Partners Forum in June 2023.

There have been a number of new initiatives, strategies and adaptations that applicants, networks and federal agencies have proposed, evaluated and in some cases adopted since 2021 to begin to address the persistent barriers that communities face in accessing federal funding.

While this report notes key persistent barriers and proposed multiple additional adaptations that agencies can make to directly address those challenges, it acknowledges that there has been a sense of proactive engagement throughout the federal government; a sense that there is motivation to address and remove these barriers to increase investment in distressed and high-need communities. In fact, this proactive approach was part of the motivation for creating this case study. There is a general consensus among stakeholders that there are many federal staff who want to know what challenges there are to accessing federal funding and how they can be supportive in addressing them.

INNOVATIVE FEDERAL AGENCY PROGRAMS

We have seen innovative approaches from multiple federal agencies since 2021. A brief, and by no means comprehensive, survey of innovative internal federal agency strategies highlights impactful work being led to drive community economic development funding to rural communities by the US Environmental Protection Agency, the Appalachian Regional Commission, the Interagency Working Group on Coal and Power Plant Communities and the US Department of Agriculture - Rural Development.

The US Environmental Protection Agency has undertaken a significant new funding initiative that restructures its traditional community grantmaking program to directly engage regional grantmaking entities to serve as intermediaries and reduce barriers to accessing EPA funds, and has created regional technical assistance centers to build long-term environmental justice capacity across the nation.

The US Economic Development Administration received $3 billion in additional funding, which it has used to launch new nationally competitive grant programs that provide project funding for major economic development strategies at a scale rarely seen before. As discussed earlier, the agency has been innovating and adapting between these initiatives, learning from each one about unintended barriers that can be easily addressed through small changes to agency requirements, increasing the flow of federal investment to high-potential communities.

As mentioned earlier, the Appalachian Regional Commission has launched multiple new funding initiatives with its increased resources, including the agency’s largest ever competitive funding opportunity specifically focused on regional development and collaboration.

The creation of the Interagency Working Group on Coal and Power Plant Communities, a new entity created through the Biden Executive Order on Tackling the Climate Crisis at Home and Abroad, was created within one week of the start of the administration to build new systems to support the investment of federal funding into coal and power plant communities across the country.

The Department of Agriculture's Rural Partners Network program, initiated by the Biden-Harris Administration in 2022, is a particularly significant new initiative by a federal agency to increase rural capacity and drive investment to high-need rural communities. This program was formed through Executive Order to promote economic growth and opportunity by assisting struggling rural communities with navigating and accessing federal resources via increased staff visibility and increased collaboration among agencies.

When the program was launched, agency staff and leadership shared with rural leaders that the program was a long-term commitment to partnership between the agency, its federal staff and organizations and communities on the ground, with a particular focus on communities that have historically lagged in receiving USDA-Rural Development funding compared to the rest of the country. The program is currently active in eleven states and territories, including: Alaska, Arizona, Georgia, Kentucky, Mississippi, Nevada, New Mexico, North Carolina, Puerto Rico, West Virginia and Wisconsin.

In 2022, West Virginia was notified that USDA-Rural Development would recognize two regional WV Rural Partners Networks. These networks include the Southern West Virginia Community Network, hosted by the West Virginia Community Development Hub, and the West Virginia Pioneer Network, hosted by Glenville State University. Across both Networks, 20 counties in total are provided with support from designated Community Development Liaisons that assist with project development, work plan creation, and in connecting community-led projects with potential viable funding opportunities in other federal agencies.

- **Southern West Virginia Community Network:** Mingo, Wayne, Lincoln, Boone, Logan, Wyoming, McDowell, Mercer, Monroe, Raleigh, Summers, and Fayette
- **West Virginia Pioneer Network:** Braxton, Calhoun, Clay, Gilmer, Nicholas, Roane, Webster, and Wirt

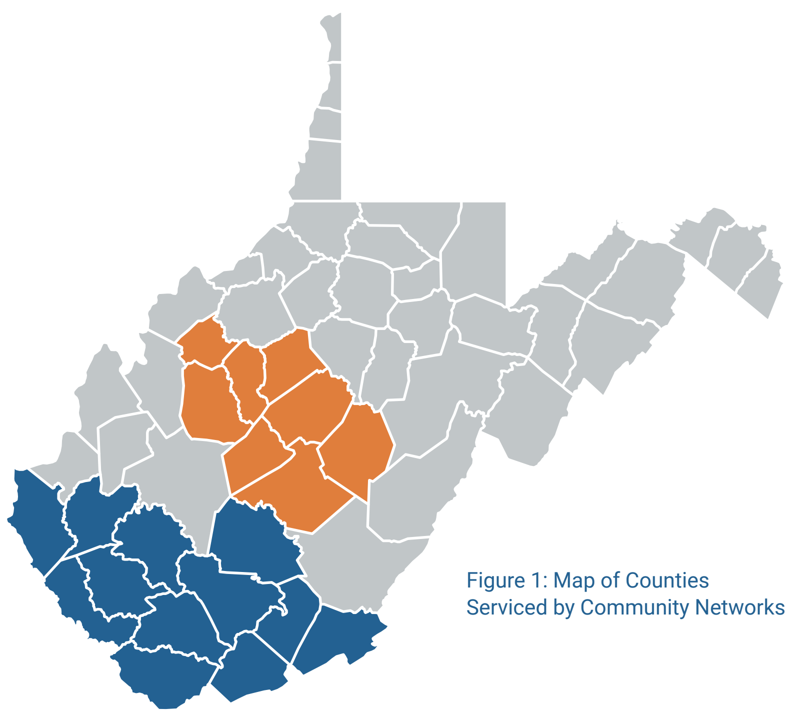


Figure 1: Map of Counties Serviced by Community Networks

This program has provided community practitioners with the ability to directly interact with federal staff who are on-the-ground experts in community and economic development, dubbed Community Liaisons. Community Liaisons also work to travel to all counties within the Networks' geographic footprint to make meaningful connections with local projects, places, and people. Community members have found this support invaluable, and it has been crucial for demystifying the grant-making process for low-capacity communities that are seeking increased investment, first time investment, or are interested in tapping into new funding opportunities as their development priorities evolve.

Communities and municipal partners have found the support of on-the-ground federal staff to be immediately beneficial. This is a unique program because it increases federal staff capacity within concentrated, high-need areas, recognizing that program and project funding is not the only need that rural communities have for successful development. Technical capacity and basic manpower is a critical need in rural communities.

Continued and/or increased funding for the USDA Rural Partners Network program would provide communities with unparalleled access to supportive federal staff who are able to increase community-level capacity through help with project identification and development, and help in diminishing barriers that exist when liaising between agencies to determine which funding sources are most applicable to a project and where communities would be the most competitive.

With recently enacted legislation such as the Fiscal Responsibility Act (2023), some of these innovative federal programs may be defunded without creating meaningful avenues for distressed and low-capacity communities to take advantage of the opportunity. This would be an unfortunate rollback of creative and important advancements that agencies are making to address persistent barriers to accessing federal funding.

STATE MATCH MODELS

Innovations are happening on the ground in rural places as well as in the federal government.

There have been several novel approaches initiated in West Virginia to provide solutions to barriers associated with the rigor of federal grantmaking processes. The creation of the Coalfield Communities Grant Facilitation Commission, created in 2022 in House Bill 4479, and an additional $83 million in funding to the Governor's Civil Contingent Fund to support federal grant applications, provided in 2023, are direct supports to a critical barrier to accessing federal funding.

The Coalfield Communities Grant Facilitation Commission is intended to convene local development officials and elected representatives, nonprofit leaders, state Development

Office staff, and others to greenlight useful projects by providing needed project cash match through available State dollars. Similar commissions and grant match funds have been created or proposed in multiple other states, including Kentucky, North Carolina, Nevada, Minnesota, Massachusetts, Illinois.[28]

These state match funds range widely in terms of their size, their eligibility to external applicants and their limitations on what types of federal projects they can support. But there is generally a national recognition by state leaders, including leaders in West Virginia, that this is a highly opportune moment to compete for billions of dollars of federal funding that may be contingent upon how much states can provide from their own funds to fill match needs.

Marilyn Wrenn, the Chief Program Officer with Coalfield Development Corporation, engages in conversation with ACT Now Coalition partners during a quarterly meeting.

These state-level initiatives will undoubtedly help to advance local projects. However, these solutions are addressing a problem that federal agencies often have the autonomy to correct on their own.

West Virginia communities do not have access to the same concentration of wealth, private or public, that metropolitan areas do. Without significant external resources, it is difficult to acquire this necessary external funding to even receive a federal grant. With unprecedented funding presented by the federal government; it is in West Virginia's best interest to capitalize on the investment opportunity.

28) North Carolina: https://webservices.ncleg.gov/ViewDocSiteFile/76553

Kentucky: https://www.grantreadyky.org/blog-resource/kentucky-g-r-a-n-t-program-applications-now-open

Minnesota: https://www.lmc.org/news-publications/news/all/apply-now-for-state-competitiveness-fund-matching-grant-program-for-energy-related-iija-and-ira-federal-funding-programs/

Massachusetts: https://www.wgbh.org/news/politics/2023-10-19/healey-lays-out-plan-to-leave-nothing-on-the-field-in-bid-for-federal-money

Illinois: https://www.wrex.com/news/state-of-illinois-launches-15-million-federal-grant-matching-program/article_2ad5a776-fb15-11ed-97e1-73ccfe13ce60.html

Nevada: https://www.nevadacurrent.com/2021/01/29/nevada-is-horrible-at-leveraging-federal-grant-money-can-it-get-better/

CONCLUSION

The main finding throughout this text is that rural, coal-impacted, and distressed communities in West Virginia face barriers in accessing federal funding opportunities.

This report identifies these barriers by discussing data collected from on-the-ground development practitioners and provides strategies for federal agencies to address them to diminish the overall regulatory burden on communities.

The report emphasizes the need for standardized grant application timetables, increased indirect de minimis cost allocations, increased match waiver opportunities, and regular analysis of spending restrictions to improve access to federal resources for rural communities.

With a deeper understanding of where regulatory barriers for low-capacity communities exist within the federal regulatory framework, we are more readily able to engage in conversations with agency stakeholders to discuss strategies for increasing equitable outcomes moving forward. This encourages a greater understanding of the unintended consequences of bureaucratic implementation that conditions whether or not local groups decide to apply for federal funding opportunities.

METHODOLOGY AND DATA

RESEARCH ENGAGEMENT ACTIVITIES AND STRATEGIES

Direct Interviews

The Hub's staff gathered data from stakeholders representing over 65 organizations/ entities from across the state, representing over 100 stakeholders. This data gathering included virtual, hour-long interview sessions with stakeholders, direct survey outreach via The Hub's newsletter and direct outreach to interested parties, and by conducting public listening sessions to gather information from large gatherings of stakeholders. These public listening sessions enabled staff to effectively capitalize on existent gatherings of local experts to gather information across geographic boundaries around the state. The Hub's staff also was able to share facilitation of the Equity Project, a priority of the Department of Agriculture Rural Development. This project involved convening stakeholders from five counties within West Virginia that possessed Census tracts with the lowest federal investment over the previous 5-10 years to understand the needs of these communities, the barriers present, and the alterations or expansion needed within the Department of Agriculture's programming to make increased investment possible. This project highlighted communities within **McDowell**, **Webster**, **Lincoln**, **Logan**, and **Fayette** counties.

Surveys

The survey utilized was designed broadly to capture metrics about the organizations responding, federal agencies that respondents experienced the most and least success capturing funding, categorical program needs, prevalently identified barriers, specific requirements, or processes that organizations found burdensome, and opportunities that community experts identified as areas of improvement.

Data was captured for respondents to determine their organization type (whether they represented an economic development authority, regional planning development council, nonprofit institution, municipal development agency, philanthropic partner, or other entity). This was done so to determine whether similar barriers were experienced across varied institutions and if similarly focused institutions experienced the same obstacles when seeking federal funding. Similarly, the survey also captured information on the counties served by those organizations to determine whether similar barriers were present in specific, or similar, geographic areas. Special attention was also given to incorporate specific information about the programmatic focus and barrier experienced by organizations to highlight which processes within agencies created unnecessary barriers within communities. This matter gave communities the opportunity to highlight specific issues of regulatory concern that impact their grantmaking experience and allowed respondents to highlight specific programmatic sectors which may present challenges in relation to others. Through this lens, we can capture which federal programs present the most challenges and opportunities and are able to focus the research on programs of the highest volatility.

A map of interviewee locations, a breakdown of categories of interest/focus for interviewees, and a full list of interviewees are provided in the appendix of this report.

Research Methodology

Research was conducted in a manner dictated by the information gathered from community experts. These responses shaped the research because it enabled us to highlight the agencies with which communities experienced the most regulatory obstacles, and from there, we were able to determine where each obstacle existed, either in the Code of Federal Regulations (CFR) or in the individual agencies' policy and procedure documents or internal guidance. By conducting our research in this way, we were able to recognize the invaluable knowledge gained from practitioners who are experts in their own communities, while also viewing that knowledge as an entryway into discovering where particular barriers exist in federal agencies' guiding documents and regulation.

Research was tailored in a way that heeded the expertise of local leaders, identified agencies signified as presenting the most barriers, determining regulatory language that impacts the implementation of certain programs of interest, and then suggests avenues by which these processes can be impacted in a meaningful way in order to make seeking and receiving federal awards less burdensome for rural communities.

LOCAL EXPERT GUIDANCE

↓

IDENTIFIED AGENCY

↓

BARRIER IDENTIFIED

↓

REGULATORY GUIDANCE/POLICIES + PROCEDURES

↓

AREAS OF IMPROVEMENT NEEDED/IMPLEMENTATION

Scope of Regulatory Review

The scope of this research is to identify tangible and impactful regulatory and operational recommendations that, if implemented, would create a more equitable and accessible federal grantmaking process for capacity-scare communities whose development is impacted by unintentional regulatory obstacles. Federal legislation and Executive Orders impact the grantmaking process in a plethora of ways. They often dictate a program's focus, the level of matching funds required, and how funds are allowed and not allowed to be expended. They also help to situate many of the arms of federal funding in a larger context.

Kayleigh Kyle, Community Development Specialist, speaks on a panel during a Rural Partners Network meeting in Beckley, West Virginia.

While we understand that federal legislation innately impacts the federal grantmaking system, this report focuses solely on understanding how this legislation impacts the regulatory landscape and on barriers that federal agencies can implement practical changes to under their own authority. By focusing on regulatory challenges under an agency's sole authority, we can more easily understand where targeted intervention would be practical and beneficial.

APPENDICES/BIBLIOGRAPHY

Stakeholders Map

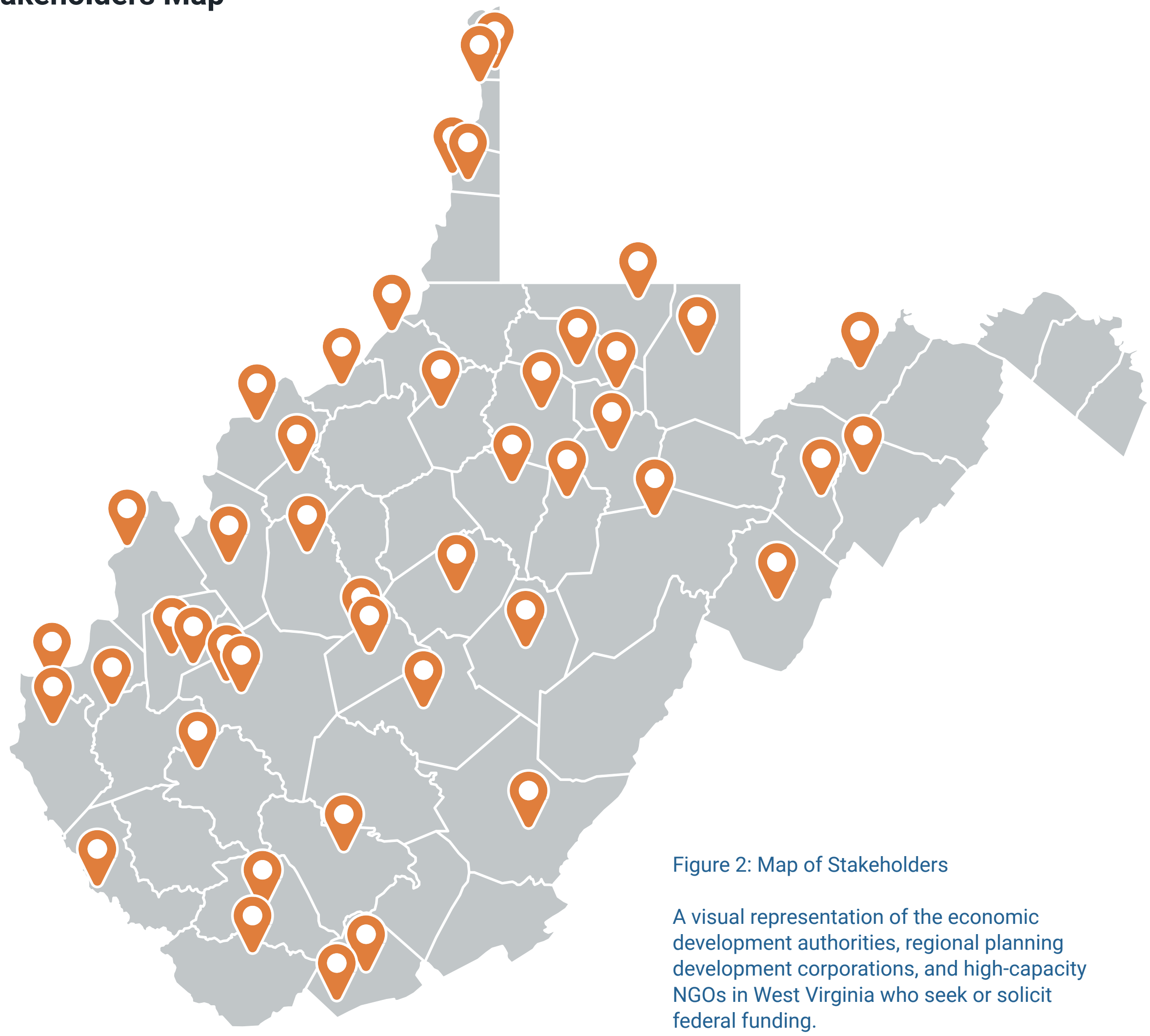


Figure 2: Map of Stakeholders

A visual representation of the economic development authorities, regional planning development corporations, and high-capacity NGOs in West Virginia who seek or solicit federal funding.

Organizational/Coverage Breakdown

Among respondents, organizations and local government entities identified that they mainly seek funding opportunities from federal entities under the following classifications:

1. **Community Development (General)**
2. **Community Development (Sector Specific)**
3. **Capital and Investment**
4. **Broadband and Infrastructure**
5. **Planning and Governmental Assistance**
6. **Mine Land Reclamation and Remediation**
7. **Workforce Development**

Participating Organizations List

- Partner Community Capital, Inc.
- Coalfield Development
- Generation West Virginia
- City of Smithers
- City of New Martinsville
- Village of Beech Bottom
- Region 4 Planning and Development Council
- Upshur County Development Authority
- Mineral County Development Authority
- Town of Peterstown
- Town of Chapmanville
- Unleash Tygart
- First Microloan of West Virginia
- West Virginia Rivers Coalition
- Town of Cowen
- People of Worth Inc
- Boone County Development Authority
- Business Development Corp of the Northern Panhandle
- Partner Community Capital, Inc.
- Town of Wardensville
- King's Daughters Child Care Center
- High Rocks
- Sweet Springs Resort Park Foundation Inc.
- Region 4 PDC
- Lincoln County Development Authority
- WVU Extension
- Region II PDC
- Lincoln County Commission
- Town of Hamlin
- Town of Chapmanville
- Williamson Housing Authority
- Williamson Parks + Recreation
- Logan County Commission
- Hatfield McCoy trail
- New River Gorge Regional Development Authority
- City of Oak Hill
- Page Vauter House
- Webster County Commission
- Town of Cowen
- McDowell County Development Authority
- Town of Davy
- McDowell County Commission
- McDowell County School Board
- City of Gary
- Dig Deep Water
- Region I PDC
- Reconnecting McDowell
- Town of Smithers
- Nitro
- Marlinton

- St. Albans
- Town of Barboursville
- New Martinsville
- Wheeling
- City of Weirton
- Town of Gassoway
- Parkersburg
- Village of Beech Bottom
- Claude Worthington Benedum Foundation
- Philanthropy WV
- Truist Bank
- Greenbrier Valley Economic Development Corporation
- Region IV PDC
- Region VII PDC

Agency Recommendations

USDA Programs to review for recommendations:

- Rural Business Development Grants (RBDG)
- Community Facilities Technical Assistance and Training Grants
- Distance Learning and Telemedicine Grants
- ReConnect Loans
- Rural Economic Development Loan and Grant Program
- Rural Decentralized Water Systems Grant Program
- Rural Business-Cooperative Service (RBCS)
- Rural Energy for America Grant program
- Rural Energy for America Loan program
- Rural Housing Service (RHS)
- Community Facilities Direct Loans
- Community Facilities Grants
- Loan Guarantee and Multi-Family Programs for Underserved Communities
- Multi-family Housing Section 521 Rental Assistance
- Mutual and Self-Help Housing Grants
- Single Family Housing Direct Loans
- Rural Utilities Service (RUS)
- Distributed Generation Energy Project Financing
- Electric Infrastructure Program
- Energy Efficiency and Conservation Loan Program
- Energy Resource Conservation Program
- High Energy Cost Grant
- Rural Energy Savings Program
- Water and Waste Direct Loan
- Water and Waste Grant

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