

Appalachia Opportunity Grants

Goal(s): Increase regional infrastructure, job creation, and entrepreneurship in the Appalachia region.

How would it work?: Localities would be eligible to apply for, and receive, competitive grants from USDA for convening teams of public and private groups that would collaborate on regional projects to yield economic growth (and education) in the Appalachia region. Teams would be comprised of representatives from the following organizations: local economic development boards/offices, private companies/associations, and regional institutions of higher learning (could be technical schools, community colleges, or 4 yr institutions). While participation from the groups above would be mandatory, local leaders could choose to include other regional stakeholders they view important to each project's goal. Projects must involve (at least) two bordering counties and seek to deliver one of the following outcomes:

1. Create jobs
2. Expand regional capacity of post-secondary education
3. Grow tourism rates
4. Benefit public health
5. Upgrade regional infrastructure

Once a full team has been established to yield a specific outcome (i.e. build a regional airport), the local planning district will send their application to USDA. Projects that display a measurable economic impact (i.e. jobs) will be prioritized.

Program Administration: The Appalachia Innovation Program would be authorized at \$100 million annually for ten years. The Rural Business Cooperative Service (under the Rural Development Administration) would administer the program. Applicants will have to submit detailed information that provides a clear timeline for completing their project goal, and a clear understanding of what each stakeholder's role is in the process. The eight required components of an Appalachia Innovation Grant will be:

1. Evidence of a public-private partnership
2. Access to other sources of project capital (at least 10% match)
3. Project displays economic or community impact (economic impact will be prioritized)
4. Evidence of inter-municipality cooperation
5. Complete assessment of community assets and gaps
6. Complete regional strategic plan that takes the above assessment into account
7. Analysis that shows how the applicant's project is aligned with this strategic plan
8. Analysis that shows why the applicant needs federal funding and evidence that they have engaged local, state, and private programs already.

For example, a local county might submit a grant application to help bring a new retail distribution center to the region. As a part of the application, the group has laid out the role the local college will play in creating a training curriculum for a specialized workforce. The applicant might then describe the role of the private company as creating 350 guaranteed new

jobs at such a center, and the role of the regional economic development officials as assisting with the necessary real estate arrangements to secure the facility.

Project Funding: There would be a maximum federal grant allotment of \$2 million per project. Twenty percent of program funds will be reserved for grants that involve regional entrepreneurs as a part of their teams. Funds will be allocated to grant awardees in two phases:

1. Project Design Phase (12 month max) – applicants will be able to use 50% of grant awards to continue the planning and design phase of their project. This could include: workforce training, building design, permit approvals, or real estate arrangements. Applicants need to show, with full transparency and credibility, that there will be limited obstruction to completing the project by the end of phase one. This is a requirement to receive the second round funding.
2. Project Development Phase - applicants will receive the second half of the pre-approved funding to complete the project construction or implementation.

Program Review: GAO will conduct a review after the first two years of program implementation to determine if it is operating as the law intended. After the initial review, GAO will conduct additional reviews every four years.

Additionally, the Rural Business Cooperative Service will be responsible for submitting an annual report to Congress that outlines project funding decisions and provides a justification for each award. This report should also outline a status update on how previously funded projects are meeting their benchmarks, to be an example to other communities.