



Andy Beshear
Governor

OFFICE OF THE GOVERNOR
DEPARTMENT FOR LOCAL GOVERNMENT
100 AIRPORT ROAD, THIRD FLOOR
FRANKFORT, KENTUCKY 40601
PHONE (502) 573-2382
FAX (502) 227-8691
www.kydlgweb.ky.gov

Matt Sawyers
Commissioner

January 31, 2025

Mr. Brandon McBride
Executive Director
Appalachian Regional Commission
1666 Connecticut Avenue, NW
Washington, DC 20009-1068

Dear Mr. McBride:

I am pleased to submit the Commonwealth of Kentucky's Fiscal Year 2025 Annual Strategy Statement in accordance with Section 5.4 of the Appalachian Regional Commission (ARC) Code. This new statement outlines our strategies for implementation of Kentucky's ARC program for Fiscal Year 2025 and is consistent with our Appalachian Development Plan. We are confident the strategy statement is consistent with the ARC Strategic Plan – "Appalachia Envisioned: Fiscal Years 2022 - 2026".

Please contact Matt Sawyers, my State Alternate, if we can provide further information or answer questions relative to this document. I look forward to continuing a strong partnership with the Commission and its member states toward successful achievement of shared goals for the entire Appalachian region.

Sincerely,

A handwritten signature in blue ink that reads "Andy Beshear".

Andy Beshear
Governor

TEAM
KENTUCKY™

An Equal Opportunity Employer M/F/D



Appalachian Regional Commission Annual Strategy Statement Fiscal Year 2025

My *New*
Kentucky
Home

TEAM
KENTUCKY®
DEPARTMENT FOR
LOCAL GOVERNMENT

Commonwealth of Kentucky ARC Annual Strategy Statement Fiscal Year 2025

INTRODUCTION

In accordance with Section 5.3 of the Appalachian Regional Commission (ARC) Code, this document serves as the Commonwealth of Kentucky's ARC Annual Strategy Statement for Fiscal Year 2025 (October 1, 2024 – September 30, 2025). The purpose of the strategy statement is to establish a process to set forth goals, objectives, priorities and policies for Kentucky's ARC counties. The 2025 strategy statement includes:

1. An overview of the primary economic challenges and opportunities in the region;
2. Targeted investment priorities for the program year;
3. Specific strategies for the state's distressed counties;
4. Review of the state's project solicitation, review and selection process; and
5. Describes the methods used to review proposals.

Governor Andy Beshear serves as Kentucky's ARC Commission member; Matt Sawyers, Commissioner of the Department for Local Government, serves as his alternate. The Kentucky Department for Local Government is responsible for the administration of the Kentucky ARC Program. The Appalachian region of Kentucky consists of 54 counties: Adair, Bath, Bell, Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton, Cumberland, Edmonson, Elliott, Estill, Fleming, Floyd, Garrard, Green, Greenup, Harlan, Hart, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, McCreary, Madison, Magoffin, Martin, Menifee, Metcalfe, Monroe, Montgomery, Morgan, Nicholas, Owsley, Perry, Pike, Powell, Pulaski, Robertson, Rockcastle, Rowan, Russell, Wayne, Whitley and Wolfe.

The number of Kentucky counties rated as distressed has improved since the inception of ARC in 1965. As this document lays out, there are still challenges facing Appalachian Kentucky. Four (4) of the 54 ARC counties in Kentucky are reported as *in transition*, while 14 of 54 counties are listed as *at risk*. The remaining 36 counties are designated as *distressed*. No Kentucky ARC county is designated as *competitive* or *attainment*. The overall economic vitality of the region remains a serious priority. Kentucky has experienced the longest period of lowest recorded unemployment rates in state history. Despite this economic growth, Kentucky's number of distressed counties remains higher than any other ARC state.

ECONOMIC CHALLENGES

Gov. Beshear has made it a priority to invest in Kentucky's Appalachian region during his administration. Despite the numerous challenges related to the COVID-19 pandemic and the devastating floods of 2022, vital economic hubs in ARC counties have seen substantial investment and related growth. ARC funds will continue to play a critical role in advancing Gov. Beshear's New Kentucky Home initiative, which seeks to further drive economic investment, attract and retain talent, and increase tourism across the Commonwealth, including in the Appalachian region. Specifically, Gov. Beshear is focused on issues that matter to Kentucky families, such creating better jobs, more affordable and accessible health care, safer roads and bridges, and the best education for our children.

Inadequate Infrastructure – Gov. Beshear believes every Kentuckian should have access to clean drinking water. Though Kentucky leads the nation in the availability of public water supply (thanks, in part, to significant investment of ARC funds), many Kentuckians still lack this fundamental resource. Through the Cleaner Water Program, Kentucky has invested \$500 million to bring cleaner water to its people. In 2024, 158 projects were completed under this program.

Despite the success of rural water and wastewater infrastructure in Appalachian Kentucky, issues still persist, including construction in difficult terrain, citizens' inability to pay rate increases, and costly maintenance. All of these issues have been compounded by the recent flooding in Eastern Kentucky, which has impacted water and wastewater infrastructure. Providing assistance to water and wastewater utilities remains a priority to ensure reliable water and sewer access for every community.

ARC funds, along with state and federal disaster relief funds, have been crucial in the long-term recovery efforts for the Eastern Kentucky counties impacted by devastating flooding in 2022. In an unprecedented approach to rebuilding communities in these counties, state and federal funds have been used to develop entire neighborhoods on seven high-ground sites outside of the flood plain, including construction of roads, water and sewer lines, and electricity and broadband lines.

For example, in Letcher County, ARC is investing \$996,972 to extend water and sewer service to a new housing development for 2022 flood victims. The site is outside of the flood plain and will eventually be home to 10 new homes for Kentuckians impacted by the 2022 floods.

In Perry County, ARC announced an investment of \$4.4 million to bring water and sewer service to the future Sky View Estates housing development. In the initial phase of this project, nearly 100 homes will be built to replace homes that were a total loss during the 2022 flooding. The ARC funds are being matched by \$4.4 million in state funds allocated to help flood recovery efforts.

As Kentucky continues to recover from the 2022 floods, one of Gov. Beshear's top priorities remains building a brighter future that creates a platform for more investment and opportunity. Gov. Beshear knows we cannot simply rebuild communities to how they were before the floods: we also need to revitalize them. ARC funding will be crucial in investing in new businesses, tourism opportunities, and the economy of today and tomorrow.

In addition, Gov. Beshear has prioritized completion of the Mountain Parkway Expansion, a project that will create a safer, more modern connection to the region by completing a four-lane parkway from Winchester to Far Eastern Kentucky. In 2024, Gov. Beshear announced that a \$116 million federal grant to complete the last portion of the Mountain Parkway had been secured, thus enhancing access to healthcare, education, and economic opportunity to the Appalachian region of Eastern Kentucky.

Gov. Beshear also believes the future is built on technology and, accordingly, has secured over \$2 billion of funding to expand high-speed internet access in Kentucky. Reliable, accessible broadband is necessary to best educate our children and to recruit new businesses and investments in the region. High-speed internet will build the way for a brighter future for Kentucky's Appalachia and its citizens. In 2023, ARC announced an investment of \$14,040,611 to expand broadband services in Eastern Kentucky. This project will deploy equipment and broadband services at 88 different locations in 16 counties, serving 33,000 currently underserved homes.

COVID-19 - Because of the pandemic, Kentucky and every community around the globe face unprecedented challenges. With lost revenue, ARC funding is critical to thoughtfully invest in and rebuild our Appalachian communities while continuing to keep Kentuckians safe and healthy.

Workforce Participation & Unemployment – As of January 2025, over 60,000 new jobs have been announced since the start of Gov. Beshear’s administration, resulting in a ranking increase in Kentucky’s workforce population. Gov. Beshear is committed to attracting more investment to Kentucky’s ARC region. ARC investments will help further this commitment, by attracting new industries to Appalachian Kentucky and encourage the expansion of existing companies already in the region.

For example, in September 2023, ARC committed \$960,000 towards the AppC2C “No Wrong Door” Work Experiences for Economic Mobility project. Through this project, 105 students in eight ARC-designated distressed counties will be provided with opportunities for meaningful, skills-based apprenticeships/internships, allowing these students to gain valuable paid work experience, while also building soft skills that will enable them to succeed in the workplace.

Health Outcomes – Gov. Beshear believes health care is a basic human right and that every Kentucky family deserves access to adequate healthcare at home. With diminished health outcomes in our Appalachian counties, it is evident many are not receiving the health care they need. Currently, one in three Kentuckians struggles with obesity. Appalachian Kentuckians are more likely to develop COPD and diabetes than Kentuckians in non-Appalachian counties. Gov. Beshear’s administration is working to improve these health outcomes, and ARC funding will be a crucial part of this mission. For example, \$780,444 in ARC funds were committed to the Pikeville Medical Center for the Pikeville Medical Center’s Eastern Kentucky Nurse Training Complex project. This project will train nurses in Eastern Kentucky, helping improve health outcomes in the region for years to come.

Addiction has also hit the Appalachian region hard. While efforts have been made to curb addiction and offer assistance, Kentuckians need better access to health care, treatment and prevention resources when they are at their most vulnerable. Continued investment in our rural hospitals and health care infrastructure from ARC funds is critical to produce a ready workforce and provide every Kentucky family with the recovery support and resources they desperately need and deserve.

While the opioid epidemic remains a major concern in Kentucky, Kentucky has seen decreases in its overdose deaths for two straight years. Kentucky leads the nation in the number of residential drug and alcohol treatment beds per capita. Kentucky is making progress, and we need continued investment to see even better health outcomes for our people.

ECONOMIC OPPORTUNITIES

Gov. Beshear will continue to expand existing industries and encourage new industrial development endeavors. Since the beginning of his administration, Gov. Beshear has overseen the largest private sector dollar investment secured during the tenure of any governor in the state's history at \$35 billion, which is \$14 billion greater than the next highest total. During that same period, he has announced more than 1,150 private sector new-location and expansion projects and more than 59,800 full-time jobs. These projects have included investments in industries that will provide long-term economic prosperity in the ARC region, such as a \$230 million investment in new solar energy facility in Martin County. A prepared workforce and a focused investment strategy will help make this vision a reality.

Industry Expansions – Gov. Beshear is committed to making Kentucky a hub of excellence for engineering and manufacturing in North America. With every decision he makes, he strives to build an economy that works for all by investing in industries where Kentucky can be an international leader, such as in advanced manufacturing, the food and beverage industry, and software and IT services. These are opportunities for our hard-working families and a major area for economic opportunity in Kentucky's ARC counties.

Kentucky's manufacturing industry is strong with over 6,000 facilities and more than 250,000 employees. In the past five years, manufacturers announced approximately 800 facility location or expansion projects with a reported capital investment of \$28 billion and more than 37,000 additional jobs. In 2023, \$40.2 billion of Kentucky-made products were exported around the globe. In addition, Kentucky ranks #1 in vehicle production per capita and is the national leader for electric vehicle battery production. Kentucky's aerospace industry has become one of our state's leading exports, and in recent years has shown a 107% increase, showing great promise for further expansion. Kentucky is home to more than 100 aerospace-related facilities that employ over 23,000 people.

Gov. Beshear plans to use ARC funds to continue to expand our strong manufacturing industry, while using our strategic advantages to develop new industry in eastern Kentucky.

Growing Tourism – In 2023, Kentucky celebrated the best year on record for tourism, with \$13.8 billion in economic impact and securing 95,222 jobs. This followed a record-breaking 2022, when Gov. Beshear announced that tourism had generated more than \$12.9 billion in economic impact and secured 91,668 jobs in Kentucky that year. In 2022, 75.9 million travelers visited Kentucky, spending \$8.9 billion across the Commonwealth, according to a study by Tourism Economics. More than \$937 million in state and local taxes were generated, equating to a \$536 tax savings for every Kentucky household. Total visitation reached 103% of 2019 volumes, and visitor spending reached 112%.

In addition, Kentucky tourism has significantly increased over the past 10 years. Kentucky is within one day's drive for over 70% of Americans, making it accessible as a tourist destination. Despite the impact of the COVID-19 pandemic, the tourism industry continues to see growth in economic opportunity, as natural beauty, trails, wildlife, music and culinary attractions have been universally recognized as Kentucky's cultural mainstays.

ARC funds are helping with these efforts. ARC funds are contributing \$358,035 to renovate parking and hospitality facilities on the Kentucky side of Breaks Interstate Park. These funds are also building a trail to a new pedestrian suspension bridge. Once completed, this will be the longest pedestrian bridge in the United States, a major attraction for tourists.

Leadership & Entrepreneurship – Gov. Beshear is taking a fresh look at Kentucky's ARC

strategies, focusing on achieving the greatest economic, social and cultural outcomes. The need for workforce readiness, infrastructure, and better health care are critical, but there is also a renewed emphasis on leadership and entrepreneurship. Fostering new leaders and inspiring new entrepreneurs, while assisting those already established, will move our state forward.

TARGETED INVESTMENT PRIORITIES

In FY 2025, Gov. Beshear will continue to use available ARC funding to assist eastern Kentucky's Appalachian region in meeting targeted goals for (1) Economic Development, (2) Workforce Ecosystems, (3) Appalachia's Infrastructure, (4) Regional Culture and Tourism, and (5) Leadership and Community Capacity. These goals and priorities will specifically address significant gaps in necessary resourcing, education and infrastructure for maximum effect.

Goal 1: Kentucky's Investment in Building Appalachian Businesses through entrepreneurial and business development strategies that include expansion of tourism, manufacturing, and AgriTech in Kentucky's ARC region.

Goal 2: Kentucky's Investment in Workforce Ecosystems through education and technical training programs for workers in Appalachian Kentucky. Also, assisting the region in accessing quality health care and preventative programs that result in better health outcomes, as well as supporting a healthy workforce.

Goal 3: Kentucky's Investment in Community Infrastructure through maintenance and expansion of Kentucky's ARC Region's water and wastewater systems and broadband and telecommunication systems.

Goal 4: Kentucky's Investment in Regional Cultural and Tourism by focusing on infrastructure assets for Kentucky's mountain trail systems and value-added tourism opportunities highlighting Kentucky's natural assets, historical sites, and heritage.

Goal 5: Kentucky's Investment in Building Community Leaders and Capacity by creating leadership development opportunities to spark entrepreneurship and cultivate dynamic young leaders to stay and invest in the region.

STRATEGIES FOR DISTRESSED COUNTIES

With 36 of 54 ARC counties designated as distressed, Kentucky has more distressed counties and communities than any other Appalachian state. These counties have persistent, long-term challenges that have resulted in extraordinary levels of economic and social distress. Governor Beshear's goal for Kentucky's ARC program funding is to invest in projects that will increase the quality of life for Kentucky families and lead to better, more stable economic outcomes.

Kentucky's strategy for reducing the number of distressed counties is as follows:

1. STRATEGIES FOR ECONOMIC OPPORTUNITY

Kentucky's unique advantages, like low cost of living, abundant natural resources and strategic location make it a prime candidate to be a leader in two industries: adventure tourism and AgriTech.

Adventure Tourism

Recognizing Kentucky's strong tourism industry, Gov. Beshear plans to use ARC funding to expand economic opportunities through adventure tourism, which is already succeeding, from zip lining and rock climbing in Red River Gorge, to hiking and riding experiences in Kentucky's Trail Towns. Focusing on expanding existing and fostering new adventure tourism ventures will increase an already profitable industry. This focus will provide greater opportunity and investment in our Appalachian communities.

For example, \$1 million in ARC funds are helping Backroads of Appalachia, which is bringing motorsport events to Eastern Kentucky and the region. These funds are giving life to a new industry in Kentucky. Just along one route on Highway 160, 30 new businesses have opened in the past few years thanks to all the new traffic. Creative and unique funding opportunities like this capitalize on the natural terrain of Appalachia, bring a sense of identity to communities, and foster economic growth. Gov. Beshear remains committed to bringing more adventure tourism opportunities to Eastern Kentucky.

Following through on this commitment, Gov. Beshear approved a project in Knott County to expand the Mine Made Adventure Park and Campground. These ARC funds will be used to expand water and sewer access to the campgrounds, allowing for additional cabins, expanded restroom/shower facilities, construct a multi-purpose meeting building, add signage, install a playground area, and renovate the current office building to include a general store. With adventure tourism projects like this, ARC funds will continue to make tourism a leading industry in Kentucky.

AgriTech

Gov. Beshear plans to expand Kentucky's AgriTech industry, which will create a forward-thinking economy, good jobs, and improve nutrition and health outcomes for Kentuckians, while saving natural resources. Kentucky's central geographic location provides a huge advantage in AgriTech: produce can reach 70% of Americans in a day's drive. That means fresher food and far less food waste as grocers benefit from the extended shelf life. Growing fruits and vegetables closer to where people eat them also helps prevent the frustrating supply issues that COVID-19 continues to reveal, caused by America's increasing reliance on agricultural imports.

Governor Beshear has made AgriTech a top priority in eastern Kentucky. Using ARC funds to expand AgriTech in the region could make eastern Kentucky a leader in the industry, bringing economic opportunity for years to come.

2. WORKFORCE READINESS & EDUCATION

Gov. Beshear will continue to use ARC funding to support initiatives in workforce readiness and education for ARC distressed counties. Kentucky has established programs in eastern Kentucky to retrain displaced coal miners for new careers in advanced manufacturing and tech-related fields. The Governor will continue to support funding for programs that will assist these highly skilled workers to find permanent placement in growing industries. The ARC program staff in Kentucky will continue to promote these workshops with local stakeholders to ensure a ready and stable workforce.

In addition, ARC funds have been used to support workforce training programs that will help rebuild communities impacted by the 2022 floods. For example, ARC approved nearly \$1 million to expand the Heavy Equipment Program at Hazard Community and Technical College. Enabling students in the area to obtain heavy equipment operator certifications and training is critical to the ongoing efforts to develop neighborhoods and construct affordable homes in safer high-ground communities.

Gov. Beshear has also prioritized providing re-entry training for incarcerated individuals, working with the Justice and Public Safety Cabinet and the Kentucky Chamber to develop new programs aimed at transitioning people from incarceration to employment, bolstering the workforce and helping to reduce recidivism. In addition, Gov. Beshear worked towards creating a program to help nearly 50,000 Kentuckians on probation or parole statewide through a program providing transportation to addiction treatment, job interviews, education, and employment.

Gov. Beshear also believes education is key to a productive and well-trained workforce. Gov. Beshear has consistently advocated for a historic investment in the Commonwealth's youngest learners by seeking funding to ensure the availability of universal pre-K for all Kentucky families.

In addition, Kentucky's Universities, Colleges, and Community and Technical College System that serve the Appalachian region are providing coursework and training in a variety of highly desirable fields. Gov. Beshear will continue to invest ARC funding to support education throughout Appalachian Kentucky, leading to strong economic outcomes. Kentucky's aerospace industry is a \$14 billion per year enterprise. NASA has donated a 12-meter satellite tracking antenna to Morehead State University (MSU) for use in research, supporting NASA space missions and student training. The antenna will be utilized extensively for tracking and commanding satellites and training students in space mission operations. Through ARC funding, MSU has procured new, state-of-the-art equipment and electronics for the 12-meter antenna and the planetarium. This training facility will enhance the aerospace workforce pipeline - from pre-college (students inspired by Theater events to pursue STEM careers) to the B.S. in Space Systems Engineering (the first engineering program in Eastern Kentucky) to the M.S. in Space Systems Engineering and the aerospace workforce. With the emergence of existing and spin-off companies attracted to the region, more of these exceptional graduates will remain in the region and promote Kentucky's evolution toward a high-tech economy.

3. LOCAL ECONOMIC & BUSINESS DEVELOPMENT

The Governor is committed to creating a vibrant and hospitable business environment throughout the ARC region. This includes assisting in the expansion of existing facilities in the region.

To forward this goal, Gov. Beshear approved ARC program funding for Dajcor located in Perry County. This project includes the addition of an anodizing line to an existing 200,000-square-foot

aluminum extrusion facility located in Chavies, Kentucky. The project will result in the immediate creation of 50 jobs and will result in an additional 265 new full-time jobs by 2030. Dajcor is an integral part of growing and diversifying Eastern Kentucky's manufacturing Industry.

4. INFRASTRUCTURE

Gov. Beshear will continue to use program funding that supports projects and provisions for infrastructure. This includes a priority on water and wastewater utilities that are underperforming or not servicing areas of the population of counties in need. Water is vital to area residents while providing necessary support for ongoing business operations and expansion.

For example, Madison County is using ARC funds to extend water and sewer lines in the Madison County Airport. This project will provide the necessary infrastructure to support future transportation needs and the Eastern Kentucky University aviation program. The Madison County Airport is centrally located to serve Garrard, Lincoln, Madison, Clark, Estill, Jackson and Rockcastle Counties. These counties are underserved in aviation infrastructure which has become increasingly important for industrial recruitment and economic development. The aerospace industry is a leading export for Kentucky (in 2022, Kentucky exported nearly \$10.5 billion in aerospace products and parts) and although this airport is a major contributor, infrastructure improvements will make it an even more valuable partner.

Due to economic and topographical barriers, eastern Kentucky continues to have limited high-speed internet and telecommunications network access. Past efforts to expand fiber optic networks and broadband access have failed because of cost overruns and difficult construction. Kentucky recently invested \$250 million of its American Rescue Plan Act money into a progressive high-speed internet deployment program. Governor Beshear hopes to pair ARC funding with these funds to better connect Kentucky's distressed counties.

There are a lot of reasons for optimism. In 2023, Kentucky secured over \$1 billion in federal funds to expand high-speed internet access across Kentucky. This was the largest federal investment in high-speed internet expansion in Kentucky's history. ARC funds will be pivotal in making sure Appalachian Kentucky capitalizes on this historic investment. ARC funds are already going toward attracting remote workers to the mountains of Kentucky. We want our communities to be work-ready and connected to modern high-speed internet infrastructure.

5. HEALTH AND PUBLIC SAFETY

Studies have shown a marked difference in health outcomes for Appalachian Kentuckians when compared to non-Appalachian Kentuckians' health outcomes. For instance, Appalachian Kentuckians are more likely to suffer from heart disease, COPD, cancer, diabetes and dental caries than non-Appalachian Kentuckians. Eliminating the health outcome gap is essential to improve distressed counties and the lives of Kentuckians.

Kentucky's opioid epidemic is also a barrier to developing a healthy, ready workforce. The Governor will continue to seek program funding to assist area recovery and addiction counseling centers to address this growing public health crisis.

Gov. Beshear is committed to assisting the region in accessing quality health care and preventative programs that result in better health outcomes, as well as supporting a healthy workforce. This commitment has resulted in over \$1 million in ARC funds for the Pikeville Medical Center. The

ARC is also supporting other smaller, but much-needed projects, that yield better health outcomes. For example, in 2022, ARC contributed \$37,600 to the Lewis County Health Department to help purchase dental equipment. In addition, in 2023, ARC provided \$400,000 in funds to Appalachian Regional Healthcare, Inc. to be used to purchase a mobile healthcare clinic to provide quality, timely, and affordable health care services to Eastern Kentucky residents. Projects like these aid in providing specialty care to Appalachian Kentuckians who would otherwise lack access to healthcare services.

KENTUCKY ARC OPERATING POLICIES

Kentucky utilizes the following system for the evaluation and selection of projects for ARC funding assistance:

Pre-Application, Training and Evaluation

Pre-applications may be solicited by the Kentucky Department for Local Government from county judge-executives, mayors, Area Development District (ADD) directors, non-profits and other local agencies, including other elected officials serving in counties or cities. Local agency staff may communicate this solicitation to area programs and non-profits within the region.

Prior to the pre-application deadline, efforts will be made to raise applicant awareness and provide all necessary information to local agencies and staff. These efforts may include conference calls, trainings, workshops, webinars and other communications. This information will better prepare counties and cities in understanding the ARC application process. All pre-applications are screened initially by the ARC Program Manager and staff to determine if they are eligible for funding consideration. This screening process determines the following: (1) application completeness, accuracy, and project feasibility, (2) eligibility under the ARC Code and Guidelines and (3) Project consistency with ARC strategic goals and state strategies.

Pre-applications determined to be complete, eligible and feasible are then evaluated and prioritized by an evaluation committee consisting of the following: (1) State ARC Alternate, Committee Chair, (2) DLG Office of State and Federal Grants Executive Director (3) ARC Program Manager, and (4) other DLG staff as necessary, depending upon the volume of pre-applications received.

ARC Funding Project Prioritization

- Degree of Need – Projects that address a severe and immediate problem, such as imminent health threat or loss of jobs or that capitalize on job creation will be given higher priority than those that do not.
- Project Scope and Cost Effectiveness – The number of beneficiaries to be served by the project and the cost per person or household served will be considered in funding level determination.
- Degree of Distress – Projects that benefit communities in ARC-designated distressed counties will be given priority consideration in the evaluation process.
- Degree of Non-ARC Funding Commitment – Projects are evaluated individually as to the degree of non-ARC funding commitments. Those projects that contain commitments of other federal and/or state/local funds that reduce the ARC share below the maximum level will receive higher prioritization than those that do not.

- Project Readiness – The degree of readiness of a project for implementation if funded (i.e., other funding sources committed, firm cost figures, preliminary or detailed engineering completed, and administrative/organizational responsibilities defined) will be considered in project prioritization.

Prioritization recommendations will be completed for two levels. Priority I projects are those that rank highest in the prioritization process and appear to have non-ARC funding committed. Priority II projects are those that rank high enough in funding priority but lack complete non-ARC funding commitments or complete project readiness. Priority II projects could be elevated to Priority I if other funds are committed and other Priority I projects are not approved.

GENERAL FUNDING TIMELINE

- Pre-Application Packet published online in September of 2024.
- Pre-Applications due on October 31, 2024.
- Selected applicants will be invited to submit full applications.
- Governor's Distressed County Project Recommendations will be submitted to ARC by July 31, 2025.

Applications demonstrating correction of a significant threat to life, health or public infrastructure; or applications supporting the creation of jobs or the improvements of the economic condition may be accepted and submitted after the submittal deadline at the discretion of the Governor's Alternate in consultation with the federal co-chair.