

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 2008

Summary of At-Risk County Match Rates

Section 2 of the Appalachian Regional Development Act Amendments of 2008 increased the allowable ARC participation in a project carried out in a designated at-risk county, permitting ARC grant funding of up to 70% of project costs with a corresponding match of 30%. Previously, ARC funding in at-risk counties was limited to 50% of project costs.

The at-risk match level is applicable to all ARC programs including administrative grants for LDDs that serve at least one at-risk county.

An Code provision (Section 7.2.f) allows projects with a critical mass of distressed counties (at least half the counties in the project) to be funded at the full distressed county rate of 80/20. A similar principle is applied in the Code amendment for at-risk counties with one necessary exception:

When a distressed county is included in a project with competitive or attainment counties or both, the funding restrictions on those economically strong counties are lifted. This is not the case, however, when an at-risk county is matched with economically strong counties, if a distressed county is not also in the project. Consequently, the provision allowing 70/30 funding if half the counties in the project are at-risk is restricted to projects in which there are only at-risk and transitional counties.

CODE AMENDMENT FOR MULTI-COUNTY PROJECTS INCORPORATING AT-RISK COUNTIES AT 70/30

Multi-County Match Rules

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| 1. If half the counties are Distressed (DC) | 80/20 |
| 2. If there is at least 1 DC but less than half DC | 50/50 or the average if higher |
| 3. If at least half the counties are a combination of DC & At-Risk | 70/30 or the average if higher |
| 4. If half the counties are At-risk & no Competitive or Attainment counties | 70/30 |
| 5. All other projects | Average of all Counties with Attainment counties excluded |

Section 7.3.f. Multi-County Projects

1. If there is a distressed county in the project:
 - a. and at least half the counties are distressed, the project may be funded at up to 80% of project costs;
 - b. and at least half the counties are in some combination of distressed and at-risk, ARC assistance can be the higher of 70% of project costs or the average percentage applicable to the various counties in the project; and
 - c. but fewer than half the counties are distressed, ARC assistance can be the higher of 50% of project costs or the average percentage applicable to the various counties in the project.
2. If there is no competitive county or attainment county in the project, and at least half the counties are at-risk, the project may be funded at up to 70% of project costs.
3. All other projects shall be funded at the average percentage applicable to the various counties in the project; except that the portion of a project, which is attributable to an attainment county in a project not including a distressed county, shall be considered ineligible for ARC assistance and may not be considered for matching purposes.