HOME SWEET MEDICAL HOME: DAYSpring HEALTH MEDICAL CLINIC EXPANDS IN WILLIAMSBURG

There’s no place like home.

That is true for health care as well. When patients have a medical home, they receive coordinated, comprehensive care that is centered on them. That improves the quality of care and the health of the population. Having a medical home also reduces costs from emergency room visits and hospitalizations.

This improved access to medical care and services is especially helpful for patients with complex chronic conditions.

For all those reasons, the expansion of Dayspring Health's Medical Clinic in Williamsburg is good news.

Dayspring Health’s Medical Clinic, a Federally Qualified Health Center (FQHC), identified gaps in locally available patient care more than 2 years ago. Filling those gaps was the impetus behind the clinic’s expansion in Williamsburg. It purchased an empty 80,000 square-foot Walmart building and began renovating the 57,000 square-foot first-floor space.

The location houses primary medical and specialized health-care services, including pediatrics, behavioral health, obstetrics specialties, dental, physical therapy, telemedicine diagnostic services and an onsite pharmacy. Free services include free transportation to and from the clinic and access to a commercial kitchen where nutrition and healthy food preparation will be taught.

KHIC provided financing to purchase the building, while Fahe prepared and managed new markets tax credit financing to renovate the structure.

"We have been working with Kentucky Highlands since 2019," said Larry Rector, COO & CFO at Dayspring Health. "It's a team approach. They also help with strategy, and I can reach out to them whenever I need. Sustaining rural health care is tough. We would not be able to provide the care that this community needs without Kentucky Highlands. To have a partner like Kentucky Highlands standing beside you ensures the community members have what they need for a healthy life."

Dayspring Health has grown more than 10 percent in recent years and now serves more than 10,000 patients -- that's approximately 25 percent of the population of the community. In addition, it serves many others who have been treated for illnesses or administered COVID tests but didn't transfer their care to Dayspring.

With one-stop access for general care and medical specialties, the clinic anticipates growing to 12,000 patients and 32 new jobs in the next two years. Since financing its first dental clinic in 2019, Dayspring's management has relied on KHIC as a go-to source of capital and for management assistance.

Families with aging and ill relatives face complications keeping up with numerous doctors, prescriptions and barriers to care. It's difficult to coordinate and overwhelming if you are trying to keep your loved ones in their home.

That's why, after more than 27 years of providing adult day health care and personal care services to Kentucky families, Horizon has expanded its services with Horizon-PACE (Program of All-Inclusive Care for the Elderly).

PACE is an innovative alternative to nursing homes. This nationally recognized model provides quality health-care services and functions as a health plan for seniors -- many of whom are Medicare and Medicaid eligible. Horizon was one of the two entities chosen in the state to bring this service to the most vulnerable rural Kentuckians.

Its initial PACE program covers an 11-county service area of Madison, Estill, Jackson, Rockcastle, Pulaski, Laurel, McCreary, Wayne, Clinton, Warren and Barren counties with three PACE facilities located in Madison, Wayne and Warren counties. Horizon was recently granted 10 additional counties in Butler, Simpson, Logan, Bell, Harlan, Allen, Monroe, Cumberland, Adair and Russell counties. It (cont. page 2)
This year has marked the end of a chapter but also the transition to additional collaboration and opportunity, as well as new ventures with organizations and entrepreneurs that Kentucky Highlands has successfully partnered with for years.

The most prominent is the conclusion of the Promise Zone, a 10-year federal designation that helped local communities and businesses more effectively connect with federal agencies to create jobs, increase economic security and expand educational opportunities. The initiative grew to more than 100 partners, and although the designation has ended, efforts live on through the Kentucky Highlands Community Network, the Appalachian Cradle to Career education initiative, faith-based economic development and many other informal efforts.

We also have continued to invest in longtime partners who are transforming the region through better health-care and jobs. Since financing its first dental clinic in 2019, KHIC has provided Dayspring’s management with capital and management assistance. Dayspring is now serving more than 10,000 patients through its primary medical and specialized health-care services at a renovated former Walmart building.

Meanwhile, Kentucky Highlands has provided American Health Management with a variety of loans throughout its more than 27 years of providing adult day health care and personal care services to Kentucky families. The latest initiative is Horizon-PACE (Program of All-Inclusive Care for the Elderly), an innovative, nationally recognized alternative to nursing homes that provides quality health-care services and functions as a health plan for seniors. It currently serves 110 participants and has created 76 full-time jobs.

Finally, our Kentucky Highlands SOAR Small Loan Production Fund has loaned to many small family farmers multiple times. Through an initial $950,000 in capitalization, the fund has approved 342 loans for more than $2.5 million in less than 8 years. Because of its revolving nature, the fund has almost tripled in size.

Those are just some of the stories in this year’s newsletter that show how longtime relationships are re-envisioned and expanded, and when partnered with new opportunity, we can change communities for the better.

Sincerely,

Jerry Rickett
President and CEO

PACE: FROM PAGE 1

Currently serves 110 participants and has created 76 full-time jobs.

KHIC provided the financing for PACE to start up the centers in Wayne and Madison counties.

The ability to coordinate the care of each participant enrolled in PACE is key to the model. PACE programs coordinate and provide all needed preventive, primary, acute and long-term care services so participants can continue living in their community. The average participant is 76 years old and has multiple, complex medical conditions, cognitive and/or functional impairments, and significant health and long-term care needs.

“Although all Horizon PACE participants are eligible for nursing home care, 95 percent continue to live at home and maintain their independence because of the comprehensive care provided at our centers and in the home,” said Kelly Upchurch, president of Horizon.

Here’s what makes PACE different than other services and programs:

Interdisciplinary Teams: Teams comprised of physicians, nurse practitioners, nurses, social workers, therapists, van drivers, aides and others – all of whom are employed by the Horizon-PACE program – meet regularly to exchange information and solve problems as the conditions and needs of PACE participants change.

PACE Centers: PACE participants attend the PACE center an average of three days per week. The center includes a health clinic with an on-site physician and nurse practitioner, physical and occupational therapy facilities, and at least one common room for social and recreational activities.

INVESTING IN OUR COMMUNITY
FISCAL YEAR 2024

Total Investments $98.6 million
Investments Made $21.5 million
Portfolio Employment 18,489
Kate Stone founded Stone Gully Farm in 2013 when she and her husband moved to Kentucky and purchased a 180-acre Owsley County farm. She received one SOAR Farm Loan in 2022 and another this year for $7,500.

Her sales have doubled every year since 2020 -- growing from $3,200 in 2020 to $51,014 in 2023. Stone has the ambitious goal of reaching $100,000 in sales in 2024.

Stone Gully Farm undertakes a variety of tasks. The largest is a sheep/lamb operation with 60 head. The farm is also very active at the Red River Gorge Farmer's Market, which was started by Jan Knappage, another one of the loan fund's recipients. At the market, the farm sells vegetables, herbs, lotions/salves, and wool products such as scarves that Stone makes from wool from her sheep.

The customers for her products come at the farmer's market, at large events in Northern Kentucky and Owensboro, and increasingly online through her website and two stores on Etsy.

With the first $7,500 SOAR Farm Loan, Stone undertook a variety of projects -- the largest was to develop a 1-acre berry plot for a variety of berries. She purchased posts and wires to support the vines and installed fencing to protect them. Another project was to install a pump to bring water to the growing fields from the three ponds on the farm. Bio-landscape fabric was purchased for willow, lavender and other herbs. She also purchased high tunnel supplies for her high tunnel and the propagation tunnel.

The newest loan will be used to purchase bulk supplies, such as fragrance oils soap bases, beeswax and lavender. The second will be to purchase mineral tubs for sheep and to set a new power pole for her propagation tunnel.

The Kentucky Highlands SOAR Small Loan Production Fund was established in 2016 through an initial $950,000 in capitalization from the Kentucky Agricultural Development Fund investing tobacco settlement funds.

The fund has approved 342 loans for more than $2.5 million in less than 8 years, and more than $1.57 million in principal repayments have been made. Because of its revolving nature, the fund has almost tripled in size.

More than 10 years ago, Eastern Kentucky was designated as one of the first five -- and the only rural -- Promise Zone communities. The initiative helped local communities and businesses more effectively connect with federal agencies to create jobs, increase economic security, expand educational opportunities, build private investment and improve public safety.

The initiative grew to more than 100 partners, who worked together to leverage the Kentucky Highlands Promise Zone's competitive advantage in applying for federal funds and assistance for Bell, Harlan, Letcher, Perry, Leslie, Clay, Knox and part of Whitley counties.

"The amount of collaboration is unprecedented, and these partnerships continue to thrive," said Jerry Rickett, president and CEO of KHIC. "This collaboration lives on into the future to improve jobs, education and health in our region."

The Kentucky Highlands Promise Zone designation ended in January, but the partnerships continue to thrive and benefit the region. Here are just three examples:

- Kentucky Highlands Community Network: Kentucky is one of five states to receive a new designation called the Rural Partners Network, which helps rural communities access government resources and funding to create jobs, build infrastructure and support long-term economic stability. That network has expanded. (See story on page 5 for more information.)

- Appalachian Cradle to Career: The Promise Zone served as the launching pad to this important
Kentucky is known for horses. The fastest, most powerful, and most beautiful thoroughbreds in the world are bred and race in the state. The horse farms around central Kentucky are stunning and have been the setting for books, movies and documentaries. But alpacas? In Kentucky?

It turns out there is a small but growing number of alpaca farms in the state. So, when the state alpaca association approached HEAD Corporation with an idea but also with a roadblock it needed to overcome, HEAD was eager to jump in and included a partnership with Kentucky Highlands.

HEAD Corporation was built on the principle of creating and supporting partnerships. The Kentucky Alpaca Association (KAA), founded in 2002, is a nonprofit member association that promotes the improvement and growth of the alpaca breeding, husbandry, alpaca fiber, and alpaca fiber products industry in Kentucky.

With a $15,000 loan from HEAD and a $7,500 loan from Kentucky Highlands, the KAA established its first fiber pool project. In late summer, the KAA collected Huacaya and Suri Alpaca fiber from member farms. The fiber, approximately 600 pounds, was sorted by the association and graded by a certified sorter. It was then shipped to a commercial washing facility, then to a mill to be made into yarn, then to a sock knitter. Small amounts of wool and nylon were added to the alpaca fiber to add strength and memory, which is necessary for an excellent quality sock that stays up, wears well and is washable.

“This was the largest fiber project in KAA history,” KAA President Nancy Lindemood said. “The project offered our member farms a low-risk option for putting their fiber into production profitably, in a product using their fiber, that would be easy to sell. It demonstrated the value of pooling our fiber to produce a product that one farm could not do alone. The SOAR & HEAD loans provided the critical upfront capital to fund a project of this scale and enabled us to produce high quality socks from our own alpaca fiber, on a fairly short timeline, at an attractive cost and profit margin for our farms.”

Barnett’s Creek Farm in Liberty and Sunset Mountain Farm in Campton were two of the farms in the SOAR service region who participated in the project.

During this first year, about 2,100 pairs of alpaca socks were produced and ready for the holiday season. The association members took all available pairs to sell, and now there are a few warmer feet all over the country.
One of the main benefits of the Promise Zone was assistance in connecting local organizations with federal resources. The new Kentucky Highlands Community Network has stepped into that role through the Rural Partners Network.

This USDA-led initiative is a first-of-its-kind, all-of-government program that will help rural communities access government resources and funding to create jobs, build infrastructure and support long-term economic stability.

Participation already is under way in two key economic initiatives:

• KHIC was one of 20 organizations from across the nation selected to participate in a two-year educational journey organized by the National Association of Counties to address economic development in coal communities. Called BRECC (Building Resilient Economies from Coal Communities Coalition), this group meets bi-monthly, shares best practices and receives guidance on economic diversification strategies.

• It is serving on the Eastern Kentucky Rapid Response Team, led by the Appalachian Regional Commission and staffed with federal, state and regional partners, including members of the Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization. The team works with communities impacted by the coal industry to address worker and community needs. It identifies economic transformation and revitalization goals. This multi-government approach will maximize the investment of federal agencies in community outreach and economic diversification.

The Rural Partners Network has two full-time employees working in the Kentucky Highlands Community Network, which includes the Promise Zone counties of Bell, Clay, Harlan, Knox, Leslie, Letcher, Perry and Whitley.

• Faith-based economic development: Faith-based organizations are connecting with entrepreneurs, financial institutions and job seekers to make a difference in Eastern Kentucky. They already were serving the population with the most needs, and many of the region’s best leaders are in these organizations. Many faith-based organizations have expanded their work in other places -- turning ministry into job creation or going beyond their food pantry presence to include empowerment building like growing sustainable food and selling surplus crops at the farmers market.
As it celebrates its 15-year anniversary, the Center at Kentucky Highlands is reimagining what it means to help small businesses and entrepreneurs.

"The economy and the entire world have undergone significant changes and disruptions since the Center at Kentucky Highlands was launched," said Jerry Rickett, president and CEO of Kentucky Highlands. "Now is the right time to ensure that our services and trainings are aligned with what entrepreneurs and small business owners need to grow and succeed."

Formerly called the Kentucky Highlands Innovation Center, this 6,900 square-foot facility in Laurel County houses a variety of office and meeting space as a launching pad for new and developing businesses. It is also designed to provide virtual and in-person training and technical assistance to businesses in science, technology and other knowledge-based fields.

Upcoming plans include:

- Increasing utilization of the training room so it is booked 24/7 with a hybrid of in-person and interactive virtual opportunities.
- Reaching out to businesses and organizations to identify pain points for small businesses so the center can customize training and create new solutions to problem-solving.
- Enhancing partnerships with organizations such as the Lake Cumberland Training Consortium to bring the training it does in Somerset to the London area, and Boom KY, which has developed high school platforms in a dozen school districts to assist students who are launching businesses and making money.
- Integrating trainings, tenants and lending to create a pipeline of business growth.

The event, which was held at the Federal Reserve Bank of New York, was an invitation-only session featuring financial sector leaders, who participated in a roundtable focused on understanding and addressing the challenges that exist for financial institutions to invest in energy communities. The Energy Communities IWG supports energy communities and workers across the country as they navigate energy and economic transitions.

Following the private roundtable, Rickett participated in a public session with presentations highlighting the financial and public benefits of investing in energy communities, as well as keynote remarks from senior federal officials and energy community partners.

Rickett’s remarks focused on the work of KHIC to help catalyze projects in coal communities.

In addition, Sandi Curd was one of 70 local elected officials and community leaders hosted by the White House Office of Intergovernmental Affairs and the Office of Public Engagement as part of its "Communities in Action" event series in Washington, D.C.

Curd, who is KHIC’s engagement director, heard from senior officials of the Biden administration about the impacts of the American Rescue Plan, Bipartisan Infrastructure Law and Inflation Reduction Act on communities.
From a teacher’s home in Hazard to a family farm in Owsley County, the Kentucky Highlands Solar Energy Revolving Loan Fund is demonstrating that renewable energy can be accessible for rural communities.

The fund, which was started through a $100,000 grant from the Opportunity Finance Network (OFN), is designed to finance new buildings or retrofit existing buildings with solar energy systems.

KHIC is working with HOMES, Inc., an affordable housing provider in Letcher County that has developed an expertise in installing solar energy systems; and Human/Economic Appalachian Development Corporation (HEAD), which provides financing to small startups and expanding businesses in central Appalachia.

The fund has financed four completed projects to date and has at least three proposals in process with HOMES, Inc., including:

Les and Maggie Roll: Maggie is a Spanish teacher at Hazard High School, and Les manages special projects for Mountain Association, including its energy financing to grocery stores. Their rooftop mounted solar array is estimated to save them more than $1,700 annually for a lifetime generation savings of more than $42,000.

Billy and Tammy Richardson – The Richarsons live on a 17-acre farm in Whitley County. Billy is the senior production manager at Baxter’s North America, and Tammy is an assistant registrar at University of the Cumberlands as well as owner of an online craft business called Southern Charm Creations. They had been using electric for heat, supplemented by wood and propane. The system should take care of 100% of their residential power consumption, and they may be able to sell some power back to the utility. Their estimated lifetime generation savings is $67,000 in electric costs.

“KHIC has a long history of specialized revolving loan funds, and the OFN project allowed us to get involved with renewable energy projects,” said Jerry Rickett, president & CEO of Kentucky Highlands. “Our renewable energy expertise has grown significantly because of the OFN Renewable & Energy Efficiency project. In turn, it will benefit local businesses and homeowners.”
BRENDA MCDANIEL RECEIVES NATIONAL RURAL CHAMPION AWARD

Brenda McDaniel, Kentucky Highlands Investment Corporation’s executive vice president and chief financial officer, received the Rural Champion Award from Rural LISC.

“Brenda is a steadfast and passionate advocate for rural America who has committed her professional career to not only advancing and empowering rural Kentucky but being a role model and mentor to so many in rural community development,” said Nadia Villagran, LISC Vice President and Rural LISC Director. “It is a great privilege to honor Brenda McDaniel as a 2024 Rural LISC Rural Champion.”

Rural LISC works with more than 145 partner organizations creating sustainable rural communities across 49 states and Puerto Rico. The award was presented at its annual signature event, Rural Seminar #RuralTalks, where more than 700 attendees joined in-person and virtually for training, networking and celebration.

Rural LISC awarded nine community leaders from across the country with its Rural Champion Awards in three categories. The award McDaniel received is given to an individual who has helped to elevate, amplify and advocate for the unique needs of rural communities.

“Brenda is central to everything we do at Kentucky Highlands -- and with our partners -- to improve the economies and communities in the 22 counties we serve,” said Jerry Rickett, president and CEO of KHIC. “She deserves this national recognition for all the work she has done on behalf of businesses and other organizations to advance our region.

4 STAFF MEMBERS SOON WILL EARN ECONOMIC DEVELOPMENT FINANCE PROFESSIONAL CERTIFICATION

Joyce Hickey and Tyler Lake from KHIC’s lending team and Tara Robinson and Brian Sizemore from its technical assistance team soon will earn their national Economic Development Finance Professional certification from GrowAmerica.

“The GrowAmerica training has helped me tremendously to apply what I learned in college to the real world,” said Lake, a lender who worked for 4 years as a banker before joining KHIC in 2022. “I gained a different perspective on lending than what I was taught in banking. The approaches, end results and goals are different. Instead of fitting a project into a wooden box, the GrowAmerica courses challenge you to collect extraneous pieces and define them as a working whole.”

In addition to leading community and economic development projects for state and local governments, GrowAmerica teaches professionals how to use various federal programs to leverage the most possible from limited community resources.

The training includes hands-on group learning and individual learning by working through dozens of case studies and comprehensive exams.

“It’s enlightening. It has made me aware of all the different things that go into economic development -- and economic development lending in particular,” said Robinson, a CPA who joined KHIC in May 2023 to complete KHIC’s TA Team. “And it makes you look at how your work affects the community and makes lives better. You come to see the bigger over a longtime horizon and how working with community partners makes for thriving businesses and communities.”

JUDGE GABBARD JOINS BOARD

Jackson County Judge-Executive Shane Gabbard has joined the board of Kentucky Highlands. Gabbard graduated from Jackson County High School, where he was active in Beta Club and treasurer for the local FFA. He also received his State Farmers Degree in Agribusiness from Kentucky FFA.

Judge Gabbard has served on the KHIC Empowerment Zone Loan Committee for the past 9 years.

Gabbard and his wife, Misty, live in Annville. They have five children and one grandson. Gabbard also serves as pastor of Letterbox Baptist Church.