

Rural Road to Recovery in *Indiana*

Impacts



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Introduction

This report provides an overview of how labor participation and the economy, as well as local government revenue sources, were affected by the COVID-19 pandemic in the state of Indiana. It also highlights some of the impacts of Indiana's investments in rural communities through the five agencies in Lieutenant Governor Suzanne Crouch's Family of Business, including the Indiana Broadband Office (IBO), Indiana Destination Development Corporation (IDDC), the Indiana Housing and Community Development Authority (IHCD), the Indiana State Department of Agriculture (ISDA) and the Indiana Office of Community and Rural Affairs (OCRA).

The Rural Road to Recovery Initiative was intended to lend specific support to the 47 Hoosier counties – half of Indiana's 92 counties – that are considered rural/non-metropolitan areas. Understanding the value of these counties to the state's economy, Governor Eric Holcomb and Lieutenant Governor Suzanne Crouch supported them throughout the crisis. At the onset of the pandemic, the unemployment rate had risen dramatically in Indiana with nearly one in five rural workers who were gainfully employed in February 2020 out of work by July 2020 (the publication date of the original Rural Road to Recovery Plan). Now, in September 2022, unemployment rate is almost back to its pre-COVID level.

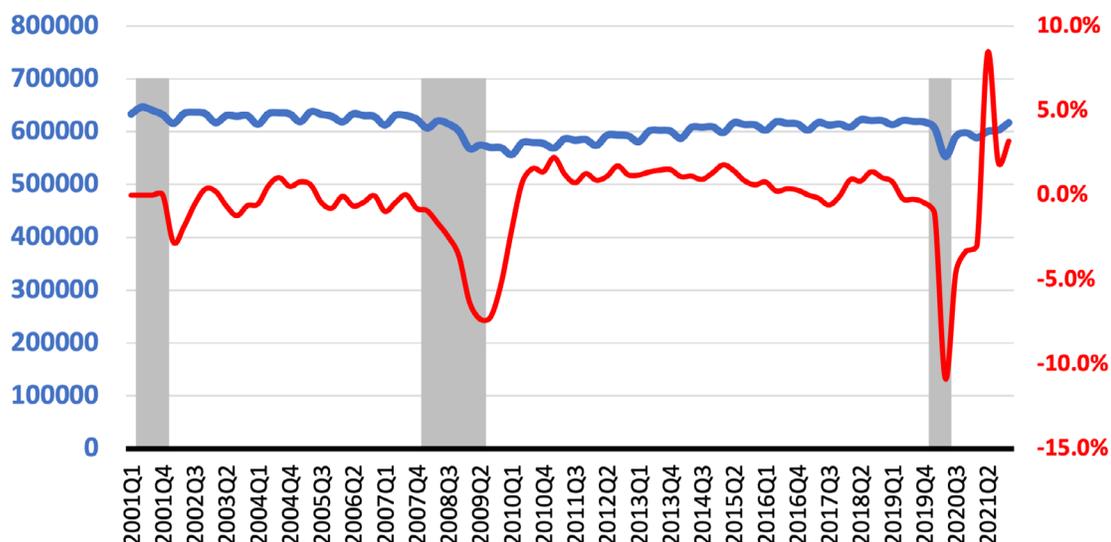
Local government entities in Indiana's rural counties, already working on tight budgets, were expected to lose between \$80 million and \$105 million in tax revenues in 2020 alone. In reality, local government revenues were not significantly affected by the COVID recession. Only income was affected, but the decrease was somewhat minor (less than 3%). That was due, at least in part, to the federal aid Indiana passed through to its local governments, schools and residents.

While not meant to be comprehensive (focused only on some indicators from the original plan), this Rural Road to Recovery "revival" report provides an understanding of the context under which the plan was drafted and implemented, how it has played out in rural communities over the past two years, and the emergent situation post-pandemic. At the time of the original report, the concern was that rural-based employment would be hard-pressed to return to pre-pandemic levels. The good news is: Overall employment is almost back to its pre-COVID level.

Indiana Labor Participation & Economic Data

Figure 1 shows quarterly employment (blue line) in non-metro Indiana from 2001 to 2021 as well as the year over year percent change (red line). Gray areas indicate a recession. Percent change in employment varied widely given the unprecedented shock COVID created, but it is on the upswing.

Figure 1 Quarterly Jobs in Non-metro Indiana



Source: JobsEQ CHMURA Economics

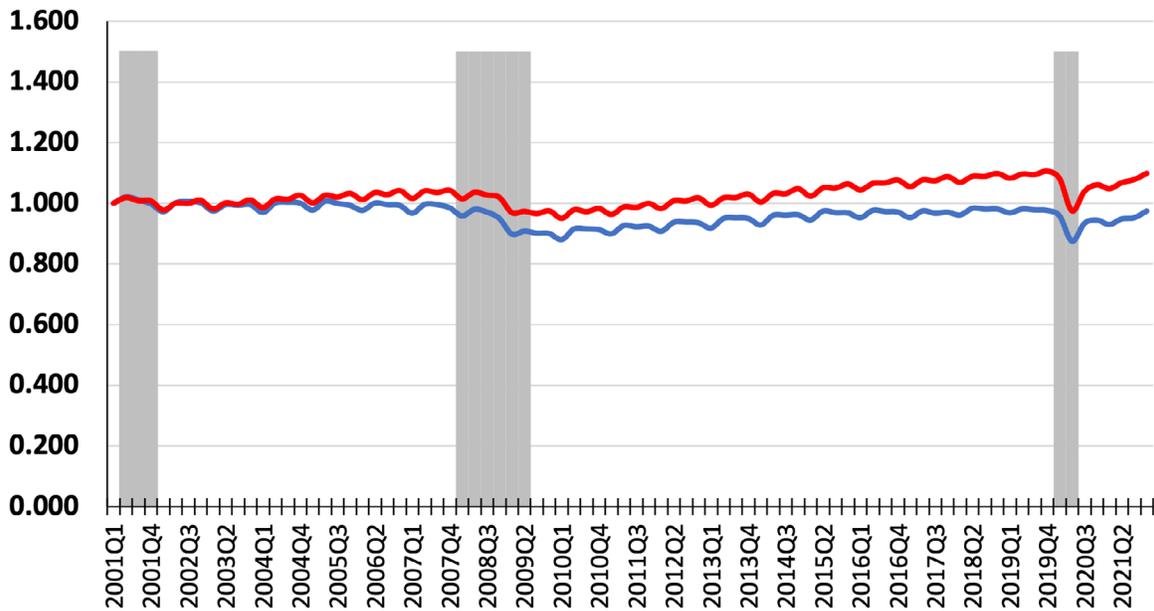
Figure 2 shows overall employment by quarter (indexed to 2001 Q1) for metro (red line) and non-metro (blue line) Indiana. Gray areas indicate a recession. These trends are very similar while the metro trend line indicates more growth in jobs compared to non-metro. Non-metro has not been able to reach the employment level seen in the first quarter of 2001.

Regarding labor force participation rate (LFPR), **Table 1** shows the average LFPR between 2010 and 2020 by all workers as well as White, Black or African American, and Hispanic or Latino. Hispanics or Latinos had the highest average LFPR at 70% compared to 64.3% overall, 64.4% White, and 62.3% Black or African American. Compared

to 2010, the 2020 LFPR did not decrease beyond 2.2 percentage points. Note that the percentage point difference for Blacks was not statistically significant.

Figure 3 shows that the average manufacturing wages per worker for metro and non-metro Indiana in 2020 dollars did not decrease due to COVID. A reason for this could be the massive government stimulus provided to the industry and workers. Regardless, wages have remained stagnant since 2001 ranging between \$60,000 and \$70,000 in metro areas while non-metro areas had a lower average wage per worker, ranging between \$50,000 and \$60,000.

Figure 2 Quarterly Employment in Metro and Non-metro Indiana (Indexed)



Source: JobsEQ CHMURA Economics

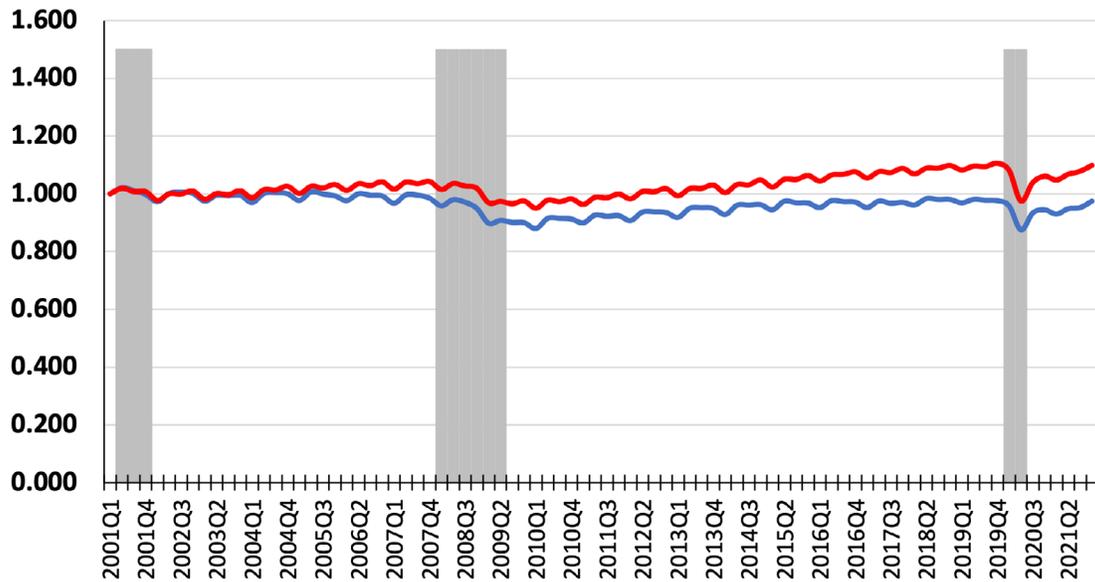
Table 1 Indiana’s Labor Force Participation Rates by Race/Ethnicity

Indicator	Pop. 16 or older	White	Black	Hispanic
Average 2010-2020	64.3%	64.4%	62.3%	70.0%
2010-2020 difference (pct. points)	-1.8	-2.1	-0.2	-2.1

Source: Census ACS 5-Year

Figure 3

Manufacturing Average Annual Wages per Worker



Source: JobsEQ CHMURA Economics

Indiana Local Government Revenues

Four important sources of local government revenues in Indiana are property taxes, local income taxes, state tuition support for public schools, and motor fuel tax distributions. We briefly discuss each next and provide information on COVID's impact.

Property Taxes

The property tax is the primary source of local government tax revenue in Indiana. It raised \$7.5 billion after credits in 2022, one-third of total appropriations. The property tax is a tax on the assessed value of property, as measured by county assessors. Assessed value has multiple components. Economic impacts on property taxes typically have a two-year lag when, for example, 2020 property values become 2021 assessments for 2022 taxes. In addition, property tax levy is partly limited to a maximum percentage growth rate imposed by the state, known as the maximum levy growth quotient. Tax bills are limited by the Constitutional circuit breaker tax caps.

As shown in **Table 2**, the COVID recession has had little impact on property taxes, though we will continue to monitor these metrics considering the two-year lag. The assessed value of homesteads increased 7.7% between 2021-2022 after averaging 6% per year over 2018-2021. Total net assessed value grew faster as well, especially in non-metro areas. Not only did the base of the property tax not decrease with the COVID recession, it accelerated. This assessed value growth, combined with

faster growth in the maximum levy growth quotient, allowed the total property tax levy to grow 4.6% in 2022, faster than the average of 4.3% in the previous three years.

Local Income Taxes

All 92 Indiana counties have adopted local income taxes (LITs). The county council, or a combination of the fiscal bodies in the county, cities and towns may adopt LIT at rates up to 3.75% (4% in Marion County) to be used for several designated purposes. Rates up to 1.25% can be used to reduce property taxes. Rates up to 2.5% (2.75% in Marion County) may be used for added spending on public safety, economic development, county jails or for general purposes. Like the property tax, changes in the economy affect local income tax revenues with a two-year lag. LIT collections in 2021 were based on 2020 incomes, which were affected by the COVID recession. Collections in 2021 set the certified distributions to counties for 2022.

Table 3 shows total LIT distributions and distributions per 1% tax rate (which controls for changes in tax rates between 2021 and 2022). Distributions per 1% LIT rate decreased 2.4% between 2021 and 2022. The decline was slightly larger in metro areas of the state compared to non-metro areas (2.5% versus 1.9%). The negative effect of the COVID recession on LIT revenues was slightly smaller in non-metro counties.

Table 2 Change in Components of Assessed Value, Selected Dates

Indicator	Total		Non-Metro		Metro	
	2018-21 (avg.)	2021-22	2018-21 (avg.)	2021-22	2018-21 (avg.)	2021-22
Homesteads	6.0%	7.7%	4.5%	6.6%	6.3%	8.0%
Rental Housing/Farmland	0.6%	3.4%	-4.0%	2.8%	2.4%	3.6%
Businesses	3.4%	3.1%	2.7%	3.4%	3.6%	3.1%
Total Net Assessed Value	4.3%	5.6%	1.6%	4.7%	5.0%	5.9%

Source: Calculation from Indiana Gateway, County Abstract Public Reports, District Detail Net AV.

Table 3 State Tuition Support to Public Schools

Property Type	Total			Non-Metro			Metro		
	2021	2022	Change	2021	2022	Change	2021	2022	Change
Distributions	\$3.24M	\$3.20M	-1.2%	\$649K	\$643K	-1.0%	\$2.59M	\$1.54M	-1.2%
Distributions per 1% LIT rate	\$1.89M	\$1.84M	-2.4%	\$341K	\$335K	-1.9%	\$1.54M	\$1.50M	-2.5%

Source: Calculation from Indiana State Budget Agency, Budget Information, Local Income Tax Data.

State Tuition Support for Public Schools

State tuition support for public schools provides an amount of local government revenue that is similar in size to the property tax. In fiscal year 2023, the state will distribute \$7.6 billion to public schools, which is more than 40% of the state's general fund budget. Aid is distributed to school districts using a formula (mainly based on current enrollment) that is revised in each budget year. This aid is particularly vulnerable to variations in state revenue.

State tuition aid distributions in the 2021-23 biennium rose 5.2%, faster than it had in recent years, as shown in **Table 4**. Throughout this period, metro school districts saw bigger aid increases than did non-metro districts, primarily due to enrollment increases. Most growing suburban districts are included in the metro category. State revenues fell drastically during the 2007-09 Great Recession, and state tuition support was largely

frozen for years afterwards. The COVID recession was different. State revenues surged due to large federal aid to Indiana residents and Indiana governments. Tuition support accelerated.

Motor Fuel Tax Distributions

Indiana collects taxes on motor fuel sales to support road maintenance and construction. This revenue is distributed each month by formula, partly to the state's Department of Transportation (INDOT), and partly to county highway departments and city and town street departments. In fiscal year 2021 (through June 2021), the state collected \$1.55 billion in motor fuel tax revenue. In calendar year 2021, \$688 million was distributed to counties, cities and towns. Distribution follows a complex formula with approximately 39% of motor fuel tax revenue going to local units.

The lockdown in March 2020 kept drivers off the roads,

and by June the monthly motor fuel tax distributions had fallen by nearly one-third. Distributions recovered rapidly after that. **Table 5** shows that while annual distributions decreased between 2019 and 2020 across the state, in both metro and non-metro areas, the 2021 amount recovered. Distributions will likely reach their 2019 levels in the next couple of years. While local motor fuel tax distributions are an order of magnitude smaller than the property tax, local income tax or state tuition support distributions, they were the largest revenue source that was affected by the recession in real time.

To conclude, local government revenues were not significantly affected by the COVID recession. Property tax revenues and state school aid grew faster after the recession. Local income taxes were saw a minor decrease. Motor fuel taxes dropped drastically for several months in 2020, but recovered quickly.

Note: Metropolitan and non-metropolitan areas of the state were also included in this report, as a point of comparison. Rurality (for the purposes of this report) follows the Office of Management and Budget core-based categories definition(s).

Table 4 State Tuition Support to Public Schools

Avg. Annual Percent Change	All School Corporations		Non-Metro		Metro	
	2015-2021	2021-2023	2015-2021	2021-2023	2015-2021	2021-2023
State Tuition Support	1.5%	5.2%	-0.9%	4.5%	1.6%	5.4%

Source: Calculations from Indiana Department of Education, *Digest of Public School Finance in Indiana, 2021-23 Biennium*.

Table 5 Motor Fuel Tax Distributions to Local Governments, 2019-2021

Fuel Tax Distributions	Total			Non-Metro			Metro		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Distributions	\$705M	\$623M	\$688M	\$229K	\$199K	\$220M	\$476M	\$423M	\$467M

Source: Calculation from Indiana State Budget Agency, *Budget Information, Local Income Tax Data*.

Lieutenant Governor's Early Response and Results

Since the onset of the COVID-19 pandemic, the Lt. Governor's Family of Business has administered over \$153 million of federal CARES Act funds and state emergency funds, getting these funds into our communities and into Hoosiers' hands in record time. Preliminary analysis of outcomes shows that the actions of these agencies made a difference in rural Indiana.

In direct response to the health and economic crisis caused by the COVID-19 pandemic, the five agencies worked with every Indiana city and town in all 92 counties. This included direct assistance to at least 645,526 households and 3,158 businesses. More than 12,000 direct calls and emails from constituents with COVID-19 related needs and concerns were fielded by agency staff. There were 16 million digital interactions with individuals, organizations, businesses and local governments across social media platforms, websites and online publications. Proactively the agencies offered more than 200 informational and training programs for organizations, businesses and individuals from April 2020 through March 2021.

The impact of these actions is significant. The assistance provided by these agencies included housing assistance programs, small business loans that targeted Main Street and tourism businesses, as well as supporting small meat packing plants that became critical sources of food for communities. The agencies were catalysts for

marketplace innovations, especially for small-town and Main Street businesses. For example, ISDA put out the Indiana Grown Online Marketplace for qualified farmers, artisans, wineries and value-added food producers. IDDC promoted the Hoosier Hospitality Promise campaign, promoting those businesses and attractions that signed on to the promise to adopt safe practices with more than 770 businesses participating. Through its Main Street Program, OCRA supported and promoted Small Business Saturday, Downtown Development Week and the Hoosier Enduring Legacy Program (HELP).

A hallmark for each of the agencies was the broad outreach to communities, businesses, farmers or individuals, especially through social media. IDDC's Hoosier Hospitality Promise campaign produced over 50 million media hits resulting in over 217,000 clicks on the website. OCRA had over 7,400 interactions through emails, calls or inquiries, as well as over 1,600 clicks on its website regarding Indiana Main Street's Downtown Development Week. All the agencies conducted multiple webinars and used web conferencing to keep their community stakeholders engaged and informed.

The collective relief efforts of the five agencies aforementioned contributed mightily to the bounce-back in rural recovery, as you will read in the testimonies of its beneficiaries in the following pages.





Owen County

The Indiana Broadband Office recognizes the need for affordable and reliable broadband for our communities. With the input and assistance of several state agencies and local leadership groups, the Indiana Broadband Office has developed a handbook, called Steps to Success, to give communities the tools they need to prepare for broadband services and their further connectivity.

To get started, communities are encouraged to establish a local broadband leadership team, determine the needs of your community, launch community speed tests and surveys, engage with broadband providers, support providers on funding applications and evaluate

the unfunded areas of your community. These Steps to Success are a roadmap.

Owen County was an early adopter of the Steps to Success roadmap, becoming a Broadband Ready Community in 2021 after experiencing many changes within its leadership. Old and new officials set the goal to work together to attain the designation. Their cooperative success story prompted the Owen County Chamber of Commerce to showcase how the town and county had worked together for the benefit of the citizens. The cooperation on display in this case study has spread throughout the community and continues to excite others about future possibilities of broadband access.



Providing Owen County with fast, reliable and affordable internet is a leading focus for both the Owen County Commissioners and the Spencer Town Council. The COVID-19 pandemic advanced the importance of this need to a greater extent with businesses shifting to 'work from home' and education turning to an increased need for online schooling. The Owen County Chamber and EDC became the liaisons to provide each local entity with the necessary information and took the lead on organizing the required steps. Simultaneous collaboration between the county and the town proved to streamline the process of preparing for BBRC designation by having the same contact person as well as shared ordinance development. Working together towards this unified effort also built greater social capital among our county and town officials."

- Marce King

Executive Director of the Owen County Chamber of Commerce and Economic Development



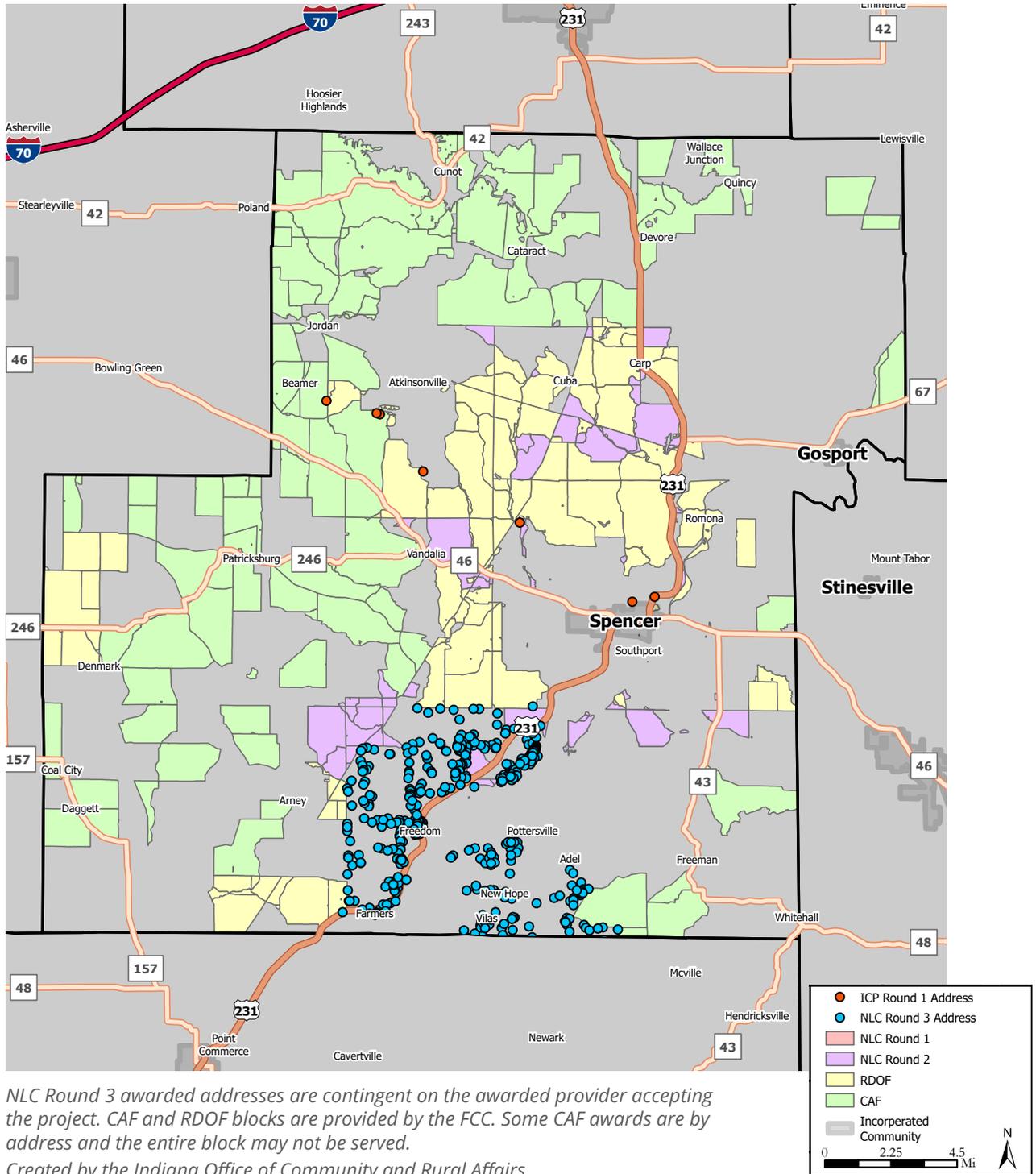
The Town of Spencer is very excited about becoming a Broadband Ready Community. This initiative will continue to unite our town as well as our county. Our students can now look forward to having more resources available to them to advance their education and prepare for the workforce. This designation opens the door of opportunity for our entire community! We are very excited about the potential this designation brings."

- Michael Spinks

Town Council President

Figure 4

Owen County Broadband Funding
As-of: July 1, 2022



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INDIANA

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CARES Act Funding Investments: Indiana Arts Commission

Lt. Gov. Suzanne Crouch announced in October 2020 that 479 organizations would receive almost \$10 million through the Arts, Cultural and Destination Marketing Organization (DMO) Support Grants program. This initiative is made possible through a partnership between the Indiana Destination Development Corporation (IDDC) and the Indiana Arts Commission (IAC), providing operational support to local organizations whose operations were disrupted by COVID-19. Award amounts were determined by a formula which included factors for budget size, previous amounts of CARES Act funding received and amount of eligible expenses, resulting in an equitable distribution to organizations in all areas of the state. The following two case studies showcase the impact these funds had in the community.



Sticking Together & Growing Stronger



Wabash County Museum began as a small operation in the basement of the courthouse, only open twice a week in 1923. It's one of the organizations that the pandemic could have claimed as a victim, if it weren't for an investment from the Indiana Arts Commission made possible by the Indiana Destination Development Corporation.

"Organizations our size had to let people go during the pandemic, but thankfully, we didn't," says TJ Honeycutt, Director of Archives & Outreach for the Wabash County Museum. "Our people continued working, and we pivoted to increase our digital footprint and revitalize our programming for future use." Honeycutt says the staff used the lull of the pandemic to reflect on, evaluate and improve their school-based curriculum and field trip opportunities.

Fast forward two years and the Museum's programming has greatly increased since its pre-pandemic era. "Before we were partners in the annual Street Festival, but now we're the fiscal agent and in charge of the whole thing," says Honeycutt. "We kept our initial four staff members and have added two."

On top of that, tourism in Wabash has greatly increased, and so has the Museum's direct engagement with visitors. "Our front desk personnel are the core of our staff and have touchpoints in the community. They are recognized and trusted," says Honeycutt.

In their 2020 final grant report, the Wabash County Museum director stated that "the receipt of these funds helped us retain vital staff and programming, which constitute a major component of our identity as an organization." That initial investment has paid dividends in the lives of the Museum's employees and in the life of vibrant, rural Indiana community.

"We are grateful to the Indiana Destination Development Corporation (IDDC) that entrusted funds to the Indiana Arts Commission (IAC) during the pandemic," says Honeycutt. "Their continued assistance and the resources that they provide to organizations like ours are critical to our success and longevity."



A Virtuous Cycle

The mission of Wagon Wheel Center for the Arts is to provide community unity with educational opportunities and economic growth. That task became much more difficult after the onset of the novel Coronavirus in March 2020.

The Wagon Wheel remains a viable arts organization in rural Warsaw, Indiana, partly because of grant funds from the Indiana Arts Commission that kept the organization sustainable through the pandemic.

"This funding was paramount to keeping our team employed which enabled staff to continue to serve our mission in the community," says Green. "We were able to implement additional youth educational programs, continue to allow adult community theatre and professional musicians to perform, and offer free connection opportunities for the entire community as a result of this funding. Thank you for servicing the arts and destination marketing sector through the implementation of this grant."

The Wagon Wheel's new director, Lakesha Green, recently transitioned from her involvement in an arts

integration school in New York to Indiana. Under her leadership, the Wagon Wheel (a nonprofit since 2010) is now in the midst of a capacity-building and strategic planning project centered around IDEA (inclusion, diversity, equity, and access) principles. The goals of the project are focused on using the organization's 60+ year history of success as an arts-based nonprofit to reinforce the organization's internal infrastructure as a regional leader through board development training, arts-based program design, evaluation and professional development. The organization kicked things off by hiring a highly qualified African-American and Veteran-owned non-profit consulting firm based in Atlanta, called Social Architects, LLC.

"I have been here almost a year," says Green. "I wasn't here when the grant was awarded, but I'm feeling the effects of it. Our theatre provides training for young artists. Four of this summer's theatre performers (our seniors) left Warsaw and went to Broadway in August. It is seeing success stories like these, emerging from our theatre in the round, that remind us what we are doing really contributes to the 'circle of life.'"

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Blue River Services, Inc.

Part of the mission of the Indiana Housing & Community Development Authority (IHCDA) is to support housing-related nonprofit organizations. For some of Indiana's Community Housing Development Organizations (CHDOs), that literally meant keeping the doors open during the pandemic.

Blue River Services, Inc., a recently certified CHDO is responsible for the development of multi-family and senior housing projects in two Hoosier counties (Harrison and Washington), but also for a multitude of other community services (like transportation, childcare and care for the disabled) in 32 counties in southern Indiana. "So, when our housing division was struggling due to labor shortages and supply costs during the global crisis, it affected every other aspect of our business," said Suann Stroud, Blue River's Housing Director, who explained she was juggling three new housing construction projects when COVID-19 hit.

Stroud was so relieved to see a "red notice" bulletin come out from IHCDA in early summer 2020 offering assistance to CHDOs like Blue River. "Receiving the \$50,000 administrative assistance funding was a very simple process," said Stroud. "I just responded that we would like to participate and then filled out the paperwork they sent in reply. We received the payment

a month later."

And, it was a good thing they did. "Normally, our renters move in and begin covering the building and utility costs, but in this case we had to wait up to 18 months longer to begin seeing the revenue stream return. For instance, builder's insurance usually covers 12 months, but we had to renew ours twice more – and they almost wouldn't do it!"

The money was directly applied to the salaries of two employees who were most critical to the housing projects. If not for that payroll influx, construction might have been completely halted. Or, other areas of Blue River's services would have been impacted, potentially raising the price of rent or childcare and negatively affecting local families.

"Without these just-in-time resources from IHCDA, the pandemic would have had a much more detrimental effect on the overall organization." Instead, those building projects – two multi-family housing developments and a residential group home – continued (albeit delayed). Now, not quite two years since the money was allocated in August 2020, nearly 50 people in Harrison and Washington counties have a place to call home.



Keeping the House

In the midst of the COVID-19 pandemic, a lifelong Hartford City resident and single mother of three children was facing her own personal crisis. "I got an email about mortgage assistance funds being available a month before my Sheriff's sale date," she said, "I applied right away and was approved quickly."

Before the Indiana Housing and Community Development Authority (IHCDA) unveiled its COVID-era housing assistance programs, this mom had applied multiple times for mortgage assistance, but her requests for forbearance were always denied. "I was planning on filing Chapter 7 bankruptcy and moving into an apartment that would have cost me \$250 per month more than my house payment."

She worked during the two years of COVID, although the factory where she was employed closed down for

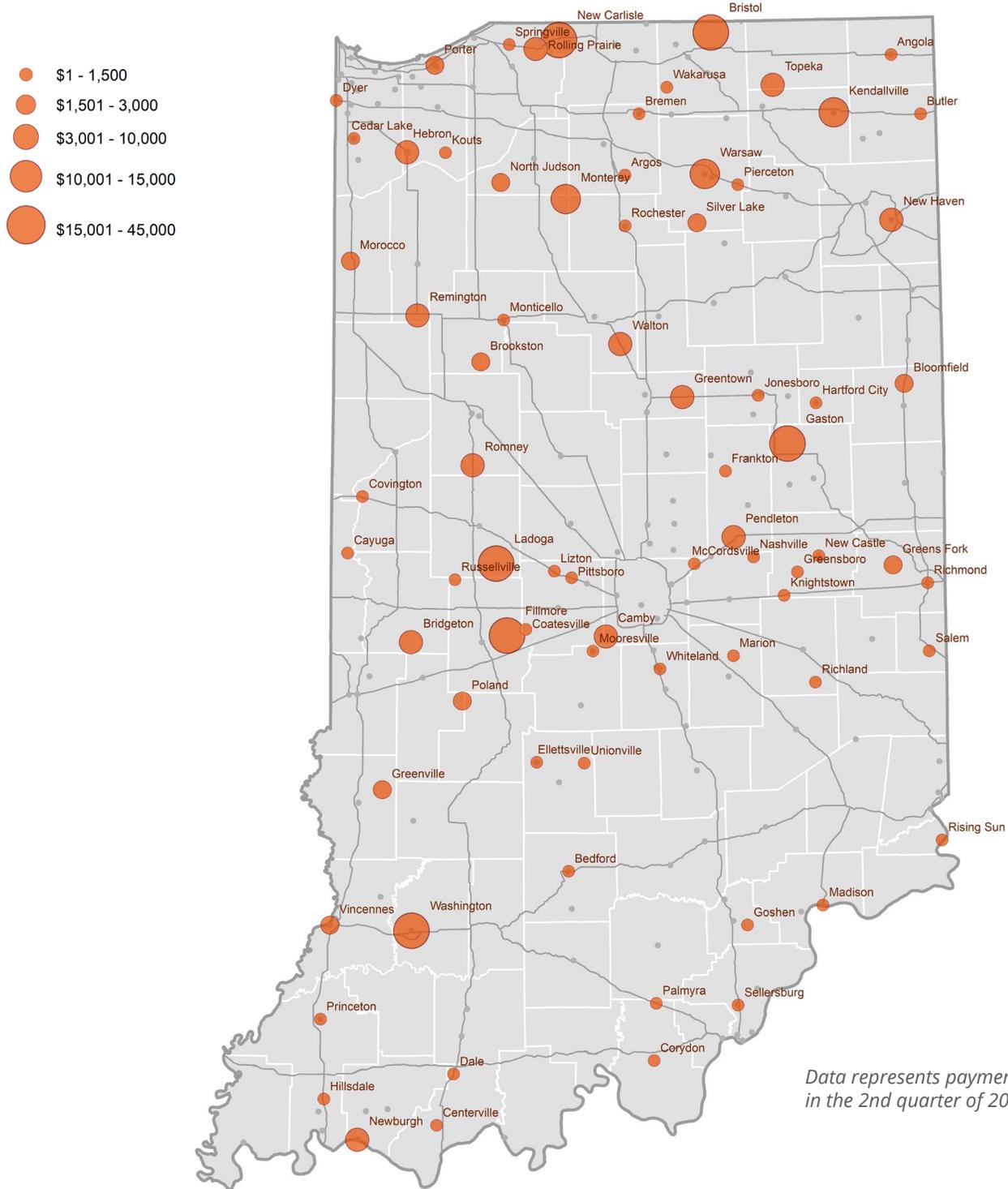
three months and only gave her 15-20 hours per week after they reopened due to the chip shortage. "It's hard to make ends meet with just a few hours a week of income," she said.

So, when the notification came that the assistance funds from IHCDA were approved, she and the children were very relieved. "It took such a burden off of us. This is the only home my two youngest kids have ever known. Now, instead of packing everything up, we can save money for home repairs." Upon notification, the mortgage company stopped the Sheriff's sale, and just a week later, she signed the closing papers with a notary public.

"We are thankful for this program. We got to stay in the house and didn't have to come up with the funds to relocate," she said. "It has changed our economic situation and really helped us."

Figure 5

IHCDA Payments 2022



Data represents payments made in the 2nd quarter of 2022.

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ISDA Sponsors Remote Worker Certification

Off-farm income is an important component of the fiscal health of farm family operations. In light of the expansion of remote workers, a trend that is expected to continue in a post-COVID environment, ISDA collaborated with the Purdue Center for Regional Development and Purdue Extension to sponsor the Remote Work Professional Certificate course targeted to Indiana farm households. This online course consists of nine modules that are covered over a month-long period. The course allows participants to work directly with coaches and other participants. Once participants have completed the course, they are added to an online community with other remote work professionals, giving them access to job opportunities and advice for how to best succeed in a remote work environment. With a focus on farm households seeking off-farm income options, ISDA identified 20 farm-affiliated individuals from 12 Indiana counties to participate.

After completing the course:

100%

Felt their value as a remote worker improved.

100%

Felt empowered to seek remote work.

48%

Had intentions to seek remote work opportunities.



I GOT A REMOTE WORKER POSITION!!!! I am so excited and it was what I was looking for. I was hired on the spot and they are having me work full-time on one of their main accounts. The entire office is remote and they have grown as a company because they are remote. I got this position because of the remote worker program and my skills combined. I am so excited and this is a huge blessing for my family. Thank you so much!!!!

- Natalie Ward

Hidden Acres Family Farm LLC



My job is hybrid remote/on-site. During the COVID-19 global pandemic, I applied for a remote work position but lost it due to my lack of remote work experience (they said they were afraid I wouldn't transition well from on-farm work to remote work). So, when I heard that the Pork Board was offering scholarships for this Professional Remote Work Certificate course, I became interested in taking it. And, I'm glad I did! Now, I'm better positioned for remote work opportunities that come my way."

- Jentzi Lash

River View Farms, Inc.



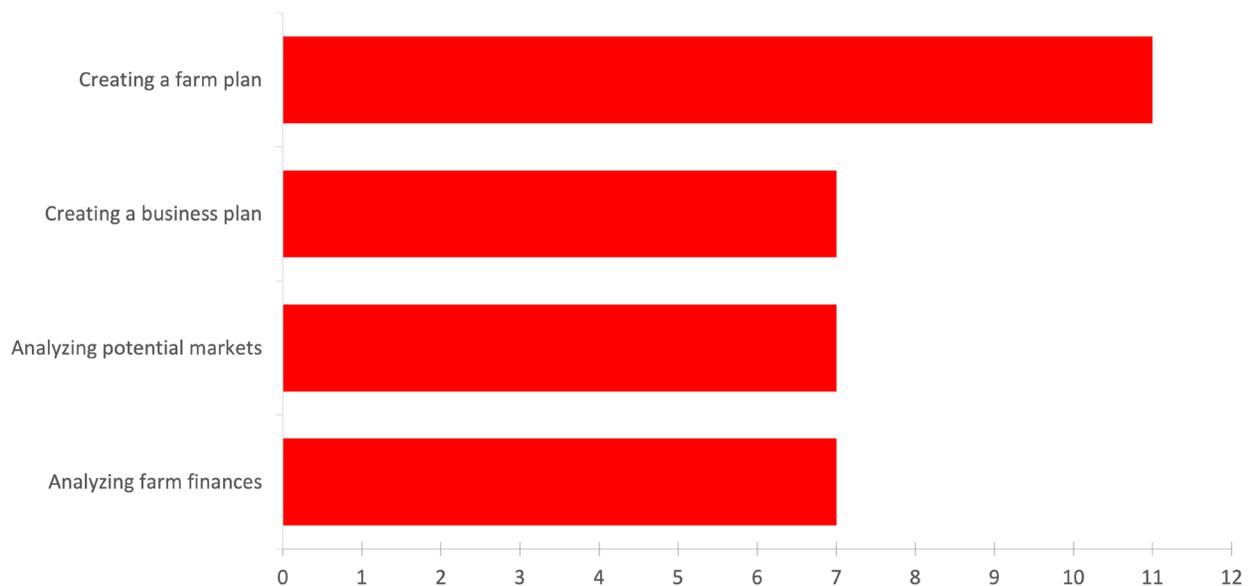
ISDA Sponsors Beginning Farmer Program

In the fall of 2021, ISDA worked with Purdue Extension to conduct a beginning farmer program. They recruited individuals who were interested in starting a farm, but who were uncertain about how to do so or where to get help. The workshop included seven sessions intended to help participants address the realities of starting a farm, determine their farming assets, develop realistic goals, and produce feasible plans for realizing their goals. Participant costs were paid as a scholarship from the Rural Road to Recovery funds. The program was intended to help build resiliency – in light of the COVID-19 crisis – to empower beginning farmers to be better able to: 1) attain funding through lenders, 2) benefit from resources they were exposed to, and

3) tap into marketing efforts like Indiana Grown or local Farmers Markets. Many of them were aspiring farmers, looking to add a revenue stream. Scholarships supported 43 participants, including people of color, veterans and low-income audiences. All sessions were recorded, so they can still be accessed, and Google Classroom materials also still available to participants. Homework assignments each week connected participants with local organizations/resource people (Soil & Water Conservation District office, Extension office, Farm Service Agency, Farm Credit Services, etc.) to create a support system that included the cohort group, too.

Figure 6

Based on your participation in the Purdue Beginning Farmer program, what recommended practice do you plan to apply?



Great program to get an overview of issues and resources that can lead to successful new farming attempts. I am changing my plans to adopt what I learned and using new resources that I did not know existed before this class."



What a great group of people that put on a very informational program. Great job! It was exactly what I needed as a beginning farmer – a well-rounded reality check embedded with assistance when needed."



I really learned a lot and enjoyed this program to the fullest. I took lots of notes and plan to execute on a small scale level and build my way up."



I loved the structure of this program. I was able to glean so much from the presenters, as well as the hosts."



I really enjoyed this program and learning from other farmers who shared their experiences. We don't have a farm yet, just in the dreaming/planning stages, but I felt that the workbook and the meetings helped in better preparing us to the realities and learning about potential resources to connect to."

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Office of Community and Rural Affairs (OCRA)

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Utilize the \$51 million in supplemental CDBG funding under the CARES Act for communities to provide support for economic development, public services, and public facilities to assist residents and business impacted by COVID-19. Develop Wi-Fi hotspots that help expand access to education, health and public safety, and other quality of life amenities.

- a. Beginning in April 2020, OCRA began addressing COVID-19 impact on Indiana communities. Through the COVID-19 Response Program, it has since awarded 112 grants to 62 communities, totaling more than \$20.9 million in Phase 1 & 2 resulting in:
 - Preservation of jobs for 1,570 workers;
 - Rehabilitation of business facilities to benefit another 1,574 workers;
 - Public facility improvements to benefit 630,000 residents; and
 - Public services to benefit 197,300 residents.
 - b. The COVID-19 Response Program adjusted as the pandemic evolved:
 - Phase 1: Expanding or altering existing medical facilities to help with the increased patient load due to COVID-19, assisting with mental health services, childcare services, public Wi-Fi locations, food pantry or bank services;
 - Phase 2: Offering grants or loans to small business to retain low-to-moderate (LMI) jobs;
 - Phase 3: Assisting with mental health services, childcare services, public Wi-Fi locations, food pantry or bank services, or grants/loans to businesses to retain LMI jobs;
 - The CARES Act (CDBG- CV) also provided waivers allowing OCRA to aid both non-entitlement and entitlement communities in Phase 2 and 3 with preparing, preventing and responding to the COVID-19 public health crisis; and
 - c.
 - OCRA awarded bonus points for minority/ women/veteran-owned businesses for COVID-19 Response in Phase 2 and 3.
 - On Dec. 7, 2020, OCRA announced a third phase of the COVID-19 Response Program was open for applications. For this round, eligible applicants included non-entitlement and entitlement local units of government (LUGs) that could apply for up to \$250,000 in grant funding.
 - On April 18, 2021, OCRA awarded \$18.6 million in federal grant funding through OCRA's COVID-19 Response Grant Program to 80 communities.
 - In total, OCRA awarded 191 grants to 142 communities, totaling more than \$38 million in funding, through the COVID-19 Response Program Phases 1, 2 and 3. Funds awarded through this program provided relief to more than 600,000 Hoosiers across the state.
 - d. Community Connections for People with Disabilities (CCPWD) grant opportunity was created in partnership with the Indiana Division of Disability and Rehabilitative Services (DDRS). This opportunity was funded with CARES Act funding and is another opportunity to assist a vulnerable population, adults with disabilities.
- Due to the COVID-19 public health emergency, the Governor's resulting stay-at-home order, and subsequent staged reopening of in-person social interaction, many Hoosiers with disabilities experienced a substantial disruption to their normal service delivery models. COVID-19 social distancing considerations also resulted in decreased access to natural supports and opportunities for community and workplace inclusion. In 2021, OCRA subsequently launched the Connecting Communities and People with Disabilities (CCPWD) grant opportunity in partnership with the Indiana Division of Disability and Rehabilitative Services (DDRS). CCPWD grant funds were intended to encourage LUGs and their partner organizations to develop strategies, including virtual and/or technology-assisted activities, to respond to or mitigate the

negative social, economic and health effects of COVID-19 for the target population. Funded with CDBG-CV, the program required LUGs to enter into a partnership with a qualifying developmental disability (DD) organization that serves Hoosiers with disabilities.

- On Feb. 11, 2021, OCRA announced 11 communities were awarded \$1.63 million CDBG-CV funds through CCPWD.
 - On Aug. 20, 2021, OCRA announced 12 communities were awarded \$1.58 million CDBG-CV funds through CCPWD.
- e. OCRA has expanded its internal capacity to administer remaining CARES Act funds through the creation of a new staff position focused on the effective administration and expenditure of all remaining CARES Act funds.
- f. OCRA staff created a CDBG-CV toolkit and new CARES Act landing web page with information on eligible activities and administration requirements and other resources to support the effective expenditure of all remaining CARES Act funds.

2 Develop and deliver programs that support small businesses in their recovery efforts.

- a. Hometown Business Preservation Initiative (HBPI) was launched April 2020. HBPI is an instructional program that guides community leadership on how to establish a Revolving Loan Fund, which can provide necessary loans to small businesses based on community needs. As local, state or federal funds become available, they may be placed in the community revolving loan account to then lend to identified businesses.
- 13 groups completed the HBPI series, and 9 out of 10 participants were likely to recommend the program to a friend or colleague.
 - Two counties provided information on their Revolving Loan Programs:
 - i. Randolph County funded 15 loans of \$19,500 each, which helped three (3) businesses retain 144 jobs.
 - ii. Ripley County funded 34 loans of \$7,500 to help 34 businesses.

- b. In February 2022, OCRA announced a second phase of the Hometown Business Preservation Initiative (HBPI 2.0). This instructional program will guide community leadership on how to sustain a Revolving Loan Fund.
- OCRA hosted 2 HBPI 2.0 Introductory Webinars in partnership with PCRD and OSU.
 - i. 39 people registered to receive information on this instructional program regarding how to sustain existing community revolving loan funds.
 - Six (6) communities applied to participate and completed the HBPI series:
 - i. First webinar 'Fostering Agility' was held on March 9, 2022, with 14 participants;
 - ii. Second webinar 'Grant Writing' was held on March 23, 2022, with the same number of registered participants;
 - iii. Third Webinar 'Sustainability' was held on April 6, 2022; and
 - iv. Numerous resources and templates were provided to participants for use in building local program infrastructure including a funding matrix of potential sources for continued financing.
- c. In early 2020, OCRA put the Stellar program on hold, shifting priorities to help communities address the immediate impacts of the COVID-19 public health emergency. OCRA reimagined Stellar to offer a new program, HELP, to Hoosier communities statewide. The Hoosier Enduring Legacy Program (HELP) melds the pillars of OCRA's Stellar initiative into a program that will capitalize on the successes of previous efforts, while addressing the current environment of Hoosier communities. This new program supports communities directly by building capacity, creating a peer network system between communities participating in the program, developing a strategic investment plan and providing access to set-aside funding.

Launched in early 2022, OCRA leverages HELP and its partners will employ community engagement, prior planning efforts, and asset building strategies to reengage communities in preparing for the future while building local leadership capacity. The program amplifies the impact of the Coronavirus Local Fiscal Recovery Funds, or CLFRF, of which \$1.28 billion has been allocated directly to Indiana communities through the American Rescue Plan Act, or ARPA.

OCRA originally outlined that it would make up to five (5) awards for up to \$1 million in CDBG-CV for the purpose of economic recovery through its Hoosier Enduring Legacy Program (HELP). Due to the high number of applications received for the HELP program, OCRA reevaluated and increased the amount of CV funds originally proposed to \$9 million. On November 2, 2021, OCRA announced the following nine (9) communities would be included in OCRA's Hoosier Enduring Legacy Program (HELP):

- The first cohort began the year-long program in January 2022 and includes the City of Auburn, Jay County and Kosciusko County;
- The second cohort began in the summer of 2022 and includes Daviess County, Dubois County and the City of Vincennes; and
- The third cohort will kick off the program near the start of 2023 and includes the City of Connersville, Franklin County and Wayne County.

CDBG-CV staff hosted two trainings for HELP Cohort 1 and 2 participants on all applicable CDBG-CV waivers and flexibilities to assist with the development of their strategic investment plans. In addition to four (4) higher education organizations these communities will partner with, they will also work with the Indiana Arts Commission, the Indiana Department of Transportation, the Indiana Department of Health, the Indiana Housing and Community Development Authority, Columbus-based CivicLab and NEXT Studios.

3 Assist Main Street Organizations Statewide (April 2020 to current)

1,069 Total businesses on the Main Street map

2,782

Total clicks/views on the Main Street map

80

Local Main Street organizations, communities, and local businesses celebrated Small Business Saturday in some way (i.e., extended hours, discounts, safe events, promotion, etc.)

Social media interaction with OCRA's Small Business Saturday map through five (5) social media posts:

22,489

People reached

596

Reactions, comments and shares

401

Post/link clicks

Indiana Main Street has recently begun offering more training opportunities to its local programs over a variety of different topics. Some of these trainings have been offered by the National Main Street Center (NMSC) and others have been conducted by the coordinating program itself.

- 19 orientations have been conducted to date. All who completed the training rated the training as "highly satisfied" with the orientation process overall.

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- 40 organizations each received \$5,000, totaling \$200,000 total awarded.

The Office of the Lieutenant Governor appointed a team from Purdue University and Ball State University to provide technical assistance and support to the five agencies and offices that have a direct report to Lieutenant Governor Suzanne Crouch. The Project Team members include Roberto Gallardo, Indraneel Kumar and Melinda Grismer with the Purdue Center for Regional Development, as well as David Terrell, Geoff Schomacker, Larry DeBoer and Brian Blackford with Ball State University's Indiana Communities Institute.





Acknowledgments



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For more information, please contact the Purdue Center for Regional Development by emailing pcrd-web@purdue.edu.

Rural Road to Recovery in *Indiana*

Impacts