2019 Impact Report
This fiscal year, MACED welcomed former coal miners John Craft and Scott Shoupe into our New Energy Intern program. During their six month internship, they conducted commercial audits, coordinated complicated retrofits with contractors, and implemented smaller retrofits, particularly in lighting and duct sealing. With support from MACED’s Enterprise Development staff and consultants from MACED’s Technical Assistance program, they each developed their own clean energy contracting businesses. Craft established New Energy Enterprises based in Hazard, and Shoupe started New Age Solution in Harlan. Each applied for and received a MACED microloan.

The New Energy Intern program is proving to be an effective strategy for growing the energy efficiency and renewable energy market, in large part because of the added capacity the graduates represent. Limited contractor and staff capacity has been a challenge in helping enterprises with retrofits or renewable energy installations. In the past it has often taken six months or more to move a project from audit to implementation. Craft and Shoupe, now contractors with MACED, turn jobs over much more quickly, in part due to the trusting relationships they build with business owners as well as the passion and motivation they bring to the work. For example, two audits they conducted after their April graduation from the internship program led to projects that were completed by the end of the following month.

MACED continues to bring on additional New Energy interns. In the latter part of this Fiscal Year, in February 2019, Ben Tatum joined the program. Tatum was placed with our partner, Synergy Home, a heating, cooling, and home performance contractor working across the Central and Eastern Kentucky regions. His ultimate career goal is to build a business that includes home rentals, property management of vacation homes, and energy efficiency and solar services. Tatum lives near the Red River Gorge, an area where many people own investment property and have an interest in solar due to the potential return on investment and desire to provide an “off-grid” experience to visitors. Because of this interest in entrepreneurship in Eastern Kentucky, Tatum will likely spend an additional three months as a MACED commercial energy intern after his time with Synergy.

A New Energy Economy

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In this impact report, we highlight key metrics of our work, along with several stories of enterprises and initiatives we supported during fiscal year 2019, which encompasses May 2018 — April 2019.

You'll see how affordable financing and technical assistance to existing and startup enterprises are helping build a new economy, and how our energy programs have helped homeowners, small businesses and local governments save energy. Our featured story highlights our New Energy Internship program that is developing a workforce trained in residential and commercial energy efficiency. Other stories focus on our entrepreneurship training, including the "How to Airbnb" program and Kauffman FastTrac™ business accelerator course, and our policy research, education and advocacy efforts.

None of this work is possible without partnership, support and shared learning with organizations and communities in our region. We look forward to continuing to build a new eastern Kentucky economy – one that is more diverse, sustainable, equitable and resilient – together.
**Garrard County Arts Council, Garrard County**

The Garrard County Arts Council Inc. provides a place for visual, literary and performing arts in their county. When the opportunity came for them to purchase a historic building in downtown Lancaster, MACED provided affordable financing so they could secure a permanent home. Opened in October 2019, the new building includes classrooms for youth and adult programs, quarterly featured art exhibits, individual studios for working artists, and a gift shop. They continue to offer creative placemaking opportunities through murals, community theatre productions, and more. Their outreach program works with the school system, 4-H, homeschool classes, and senior centers to bring arts education to diverse groups. Future collaborations are planned with the historical society and veterans programs.

**Ballew Estates, Madison County**

Tiffany Bellfield, a third-generation farmer, owns Ballew Estates, a 26-acre farm producing tea blends made with herbs and fruits like elderberries, lemon balm and mint. Ballew Estates also provides land-based education, such as farm tours and events focused on the history of African Americans in agriculture in the area. MACED provided Bellfield with technical assistance to complete the Accelerating Appalachia program, an eight-week nature-based business accelerator. Bellfield said Accelerating Appalachia allowed her to break down her big dream for the farm into smaller steps and design a holistic business plan.

**Clover Bottom B&B, Jackson County**

After several years of enjoying retirement at their home in Clover Bottom, artists Greg and Readith Lakes wanted to try something different. In 2018, the Lakes decided to take the MACED Kaufmann FastTrac course and MACED’s How to Airbnb training. This helped them turn their rural property into a high-amenity, short-term bed-and-breakfast rental, as well as a venue for weddings, business retreats and other events. MACED also provided technical assistance for their business plan and their website, which connects guests to other local businesses, nearby outdoor adventures, events calendars and more.

**Red River Adventure, Powell County**

Much of eastern Kentucky experienced heavy rains and flooding in February 2019. Our existing client, Red River Adventures – a veteran-owned and operated business offering a primitive campground, kayak and canoe rentals and shuttles – needed capital to repair damage and loss caused by the floods. After a quick turnaround by MACED's lending team, they were able to purchase new equipment to replace missing items and repair necessary infrastructure. This expedited timeline was critical in order for them to open their business for the spring season.

**Campton Baptist Church, Wolfe County**

Among the many faith-based institutions MACED has worked with in recent years is Campton Baptist Church in Wolfe County. In 2017, the church switched to solar energy after a donation of panels from SonLight Power. Since adding solar, they have added three geothermal units and completed efficiency upgrades, including air sealing and insulation under the church and in the attics. The church is paying for these upgrades through our How$martKY™ program, which adds a monthly charge to their energy bills averaging less than the monthly savings created by the retrofit. Campton Baptist’s pastor, Gary Conner, and his family live in the church’s parsonage house. After an audit, the How$mart team recommended a number of improvements for the parsonage that are now saving the Conners $825 a year, and they report their allergies have greatly improved.

**Salyersville IGA, Magoffin County**

In 2017, MACED provided financing to Salyersville IGA as part of a $5 million New Market Tax Credit loan pool. Salyersville IGA is a local independent grocery store in Magoffin County where 22.5 percent of the community is considered food insecure. MACED leveraged nearly $1.5 million in additional financing, including $220,000 from our Venture Capital Loan Fund, for a total investment of more than $3 million. Completed in March 2019, the new store is double the size of the previous facility. Salyersville IGA also completed major equipment upgrades so they could stock a greater diversity of products — especially fresh fruits and vegetables and foods for specialty diets. The produce section is nearly six times larger than in the old store. With the expansion and updates, the business has added 20 new jobs. Much of MACED’s financing went toward major upgrades of the store’s heating, cooling, refrigeration system and deli equipment, all of which has increased energy efficiency. Previously, locals had to go outside their county or even two hours to Lexington to meet gluten-free and other special diets.
Troublesome Creek Stringed Instrument Company, Knott County

Troublesome Creek Stringed Instrument Company crafts high-end, custom and artisanal guitars, mandolins and mountain dulcimers from Appalachian hardwoods. The company is based in a building and woodworking facility at the Kentucky School of Craft, leased from Hazard Community and Technical College at a discounted rate. The Appalachian Artisan Center’s existing School of Luthiery is serving as the workforce development arm, with the Eastern Kentucky Concentrated Employment Program supporting supplemental employment costs. MACED is a financial partner in this initiative, and also supported the development of the luthiery’s new website.

Letcher County Culture Hub, Letcher County

Over the past two years, MACED has worked with three organizations in Letcher County to study and finance installation of solar on their buildings. The organizations — Hemphill Community Center, H.O.M.E.S. Inc. and Appalshop — are part of the Letcher County Culture Hub, a growing network of community-led organizations that work together to create new opportunities.

There is growing interest in renewable energy generation in the region, however there is limited capacity in terms of technical knowledge, solar contractors and financing opportunities. Recognizing there was an opportunity to meet market needs and help stimulate this sector, MACED developed and piloted the new solar financing tool offering lower interest rates and longer terms than conventional business loans, so that in many cases the savings from combined efficiency and solar generation will cover the cost of loan payments.

Print My Threads, Greenup County

Kyle and Annie Robinson started Print My Threads in 2009 after moving back to Ashland, Kentucky, Annie’s hometown. Today, Print My Threads manages a full-time staff of nine employees and prints apparel for companies, events and retail clothing lines all over the country using sustainable processes, inks and fabrics. In 2018, MACED helped the Robinsons submit two successful applications to USDA’s Rural Energy for America Program to help cover a solar installation on their building and a new insulated roof, along with a new energy efficient air compressor and distribution system. MACED provided financing for the remainder of their solar installation.

What’s Next EKY?! - Carter County Learning Journey

What’s Next EKY?!? is a network of community-based and regional partners in eastern Kentucky working to connect and learn from one another to move their communities and the region toward a new economy. To facilitate this sharing, the network plans learning journeys to different communities. In 2018, the group met for a day-long tour of Carter County. Stops included Grayson Gallery & Art Center — established in 2011 to provide the community with a place to gather around the arts — a lunch with the entrepreneur owner of the Drive-In Restaurant, and a trip to Smokey Valley Farms, which is bringing back a specific breed of horses traditionally raised in the mountains of Appalachia. With MACED as the current fiscal sponsor, and support from other regional nonprofit partners, part of the network’s aim is to bring more resources to communities through technical assistance, funding, leadership development, training for entrepreneurs, and the development of local food, arts and tourism sectors.

Expenses

- 1.4% Fundraising
- 9.3% Financing
- 16.1% Management and General
- 73.3% Programs

Fiscal Year 2019 Financials

MACED has continued to grow and diversify our revenue sources, with the majority of funding coming from private grants and contributions (69.8%), followed by financing revenue including interest and fees (14.3%), government grants (12.6%) and fundraising (3.4%). We are pleased to continue to dedicate most of our spending to our programmatic work as seen in the chart.

*Full financials are available on our website.*
Kentucky Natural Lands Trust

MACED affiliate Kentucky Natural Lands Trust (KNLT) has worked to connect existing wildlands along Pine Mountain in southeastern Kentucky for nearly 25 years. Their efforts are resulting in a contiguous corridor that protects biodiversity and a climate resilient landscape in ways that also help local communities. In fiscal year 2019, KNLT and partner organizations secured a four-mile expansion of the Pine Mountain State Scenic Trail – a key link in the 1,800-mile Great Eastern Trail. The expansion protects more than 2,000 acres of intact forest on Pine Mountain in Bell County, Kentucky. The addition was made possible through a longstanding public-private partnership with several state partners, including Kentucky Heritage Land Conservation Fund and Kentucky State Parks. The trail expansion will offer additional outdoor recreation, boosting tourism and quality of life in nearby communities.

Partnerships

MACED is a fiscal sponsor for both the Central Appalachian Network (CAN) and the Appalachian Funders Network (AFN). CAN is a network of nonprofit organizations from Kentucky, Ohio, Tennessee, Virginia and West Virginia, and anchored by a steering committee of seven large non-profit organizations. CAN facilitates a network of small grantee partners and sector-focused networks that coordinate regional analysis and strategies in areas including food and agriculture, clean energy and creative placemaking.

AFN consists of 59 member organizations guided by a steering committee of influential local, regional and international funders. AFN has six working groups that build community capacity, leverage resources into the region, advance food and agriculture systems, promote clean energy and protect natural resources, revitalize downtowns and support a culture of health. Both CAN and AFN are coordinated by Rural Support Partners, based in North Carolina.

Kentucky Center for Economic Policy

The Kentucky Center for Economic Policy (KCEP) plays a vital role in informing policy debates with timely, credible analysis and through partnerships with community organizations across the commonwealth. During the 2019 General Assembly, KCEP was part of successful campaigns to pass workplace accommodations for pregnant women and new moms, defeat expensive private school subsidies that would have taken resources away from public schools, prevent deep cuts to unemployment insurance, beat an overly generous tax break for investors that falsely claimed to benefit rural communities, and block a proposal that would have taken away health care, food assistance and other forms of support from Kentuckians facing hard times.

In fiscal year 2019 alone, KCEP met with or made presentations to decision makers and public officials 114 times, wrote 63 research blogs and six reports, garnered nearly 120,000 website hits, and was cited in the news media more than three times a week on average.