

MACED works with people in Kentucky and Central Appalachia to create economic opportunity, strengthen democracy and support the sustainable use of natural resources.



Mountain VIEW

**FALL
2011**

MACED's Journey: The First 35 Years

**Start
Here**

Where were you in 1976?

On December 10, 1976, the Mountain Association for Community Economic Development was incorporated to provide dependable economic development assistance to local efforts in the mountains and undertake its own initiatives to generate locally based economic development in Central Appalachia. Since then, 35 years have passed and MACED is still hard at work creating economic opportunities and strengthening Appalachian communities. Many things have changed for the better in that time. Yet many more struggles remain. Step back in time with us as we pause to recognize the work that MACED has accomplished through the years.

1976: MACED is formed by eight community organizations in east Kentucky and southwest Virginia.

1978: MACED's early work is focused on providing technical assistance to local cooperatives.

1979: The first loan is made and a five year goal is set: stimulate community controlled economic development in Central Appalachia. And it's still relevant today!

1982: A coalition of bankers is formed to shepherd a \$30 million mortgage revenue bond issue to provide access to affordable home financing.



1986: Forward in the Fifth is launched to bring together communities and schools following the release of a report and roundtable event that focused on educational issues.

1987: The first of a seven-part series of reports is released describing the coal industry and its future in Kentucky.

1990: The Local Governance Project is launched to encourage citizens to participate more fully in local government.

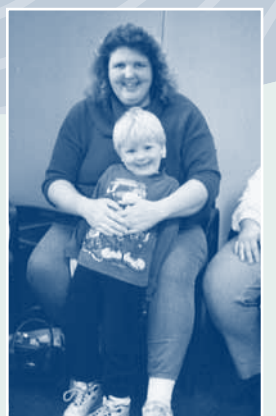
1994: WINGS (Women's Initiative Networking Groups) is formed to help women start their own businesses.



1996: The Sustainable Communities Initiative and GIS lab are launched.

1997: *Promoting Entrepreneurship in Central Appalachia: From Research to Action* is published. As a result, the BizFirstStop website is launched.

1997: The North Fork Clean Water Project provides support for local sewer and water efforts.



1998: Choosing to Learn provides access to computers and helps young people start tech businesses.

1999: Action teams expand, eventually covering 10 counties.

2004: *Kentucky Forest Landowner's Handbook* is published.

2005: Publication of economic spending report receives state and national attention for questioning Kentucky's economic development spending.

2005: Classroom training for entrepreneurs is launched.

2007: Total dollars lent reaches \$25 million.

2008: Energy Efficient Enterprises project is launched.

2009: Appalachian Carbon Partnership is launched and landowners receive first payments from carbon offsets.

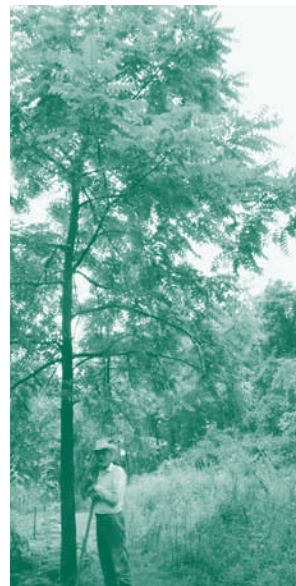
2009: A report on the fiscal impact of coal is published.



**Where
Next?**

Sustainable Development that Works

Impact Review—Fiscal Year 2011



Introduction

MACED has a vision that the lives of people and places in need in Central Appalachia will be transformed through sustainable development. To us, sustainable development means a system of viable activities, enterprises and policies that build wealth for people in need, protect or enhance the environment, and support enterprising and empowered people.

Three core strategies of work help us advance this goal.

- **Community Investment**— Investing capital and capacity-building technical assistance in people and enterprises to create economic opportunities, protect natural and cultural assets, and provide community services.
- **Demonstration Initiatives**— Developing new approaches to old problems and testing them out on the ground.
- **Research and Communications for Policy Change**— Conducting research around policy opportunities and barriers that results in better development practice and opportunities for people who need them.

MACED's program of work follows three paths that flow directly from these core strategies. These paths are **strengthening the energy and forestry sectors, promoting entrepreneurship and homegrown development, and influencing Kentucky's economic policy**. We are pleased to share some highlights of the results of this work during fiscal year 2011 (May 2010 – April 2011).

Strengthening Key Sectors — Energy

Clean energy represents a sustainable path forward for Appalachian people and communities. Energy efficiency and renewable energy are untapped markets in Appalachian Kentucky that grow the economy, create jobs and reduce vulnerability. To develop these opportunities, MACED operates the following programs.

- **Energy Efficient Enterprises**— Helps enterprises become more energy efficient so they can avoid the impacts of rising energy costs and reduce greenhouse gas emissions.
- **How\$martKY™**— Works with electric cooperatives to manage and fund energy efficiency retrofits for homeowners and renters.
- **Kentucky Sustainable Energy Alliance**— Advances state policy that supports investments in energy efficiency and renewable energy.

46 Businesses or municipalities receiving technical assistance

1,336,327 Coal-fired kWhs saved through EE

\$136,900 Dollars saved

Strengthening Key Sectors — Forestry

Sustainable forest management means clean water and air, new income opportunities and more carbon storage. MACED's forestry program helps landowners generate revenue from their healthy, sustainably managed forests and strengthens the certified wood market.

- **Appalachian Carbon Partnership**— Promotes sustainable forest management through education, financial assistance and new income options from the sale of carbon credits.
- **Center for Forest and Wood Certification**— Helps landowners and wood products companies get involved in forest and wood certification so that they can become connected with the green woods market.
- **Central Appalachian Forestry Alliance**— Works with key partners to link supply with demand for certified wood products, promote non-timber forest products and advance regional sustainable forestry policy.

5,145 Inventoried acres with completed management plan and certification

8 Enrolled landowners

\$24,229 Dollars paid to landowners

Special thanks to our funders and partners, whose support makes this work possible. Some key partners include Appalachian Sustainable Development, Central Appalachian Network, four rural electric co-ops, Kentuckians for the Commonwealth, Rural Action and the University of Kentucky Department of Forestry.

TRANSFORMATIONS

Long's PicPac Galaxy Market

Long's PicPac Galaxy Market in Bell County received a grant award from the USDA Renewable Energy for America Program (REAP) for a lighting project that will save energy and money. They applied for the grant with assistance from MACED, which included help completing the federal application and an energy assessment that estimated the energy and dollar savings.

"It was a pleasure to work with MACED staff on our project. They came in, assessed our energy usage and ways we could save with no agenda in trying to sell us a product. The communication and grant process was flawless," said owner Mike Long. "Our glass door cases have never looked better with the LED lighting installed as well as a projected payback of less than three years. The icing on the cake is our customers' comments."



Promoting Entrepreneurship and Homegrown Development

Central Appalachia needs more local entrepreneurs and stronger enterprises that create employment, provide needed services and support engaged residents. MACED helps these entrepreneurs be successful by providing capital and technical assistance.

- Enterprise Development — Provides loans and technical assistance to develop entrepreneurs and strengthen small businesses and nonprofits.

Dollars lent \$2,942,232

39 Loans 25 of which were in distressed counties

Jobs created or retained 231

1,985 Hours of technical assistance delivered

Influencing Kentucky's Economic Policy

Too often, state and federal policies inadequately support needed services and sustainable development, subsidize harmful development or ignore the unique concerns and needs of Central Appalachia. To achieve change in the region and state, public policy must shift.

- Appalachian Transition Initiative — Advances the regional conversation about the path toward a more just, sustainable and prosperous future.
- Kentucky Center for Economic Policy — Launched this year, conducts research, analysis and education on fiscal and economic policy issues.
- Research and Policy — Provides information to help citizens and decision makers understand the challenges, issues and opportunities facing Kentucky and Central Appalachia.

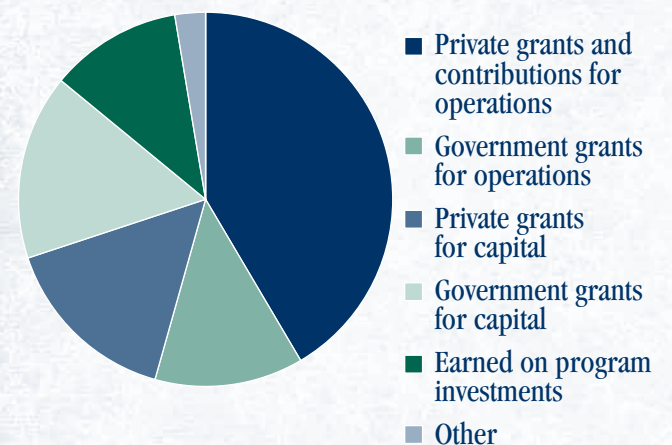
9 Written products containing policy proposals

Mentions in major statewide or national media 29

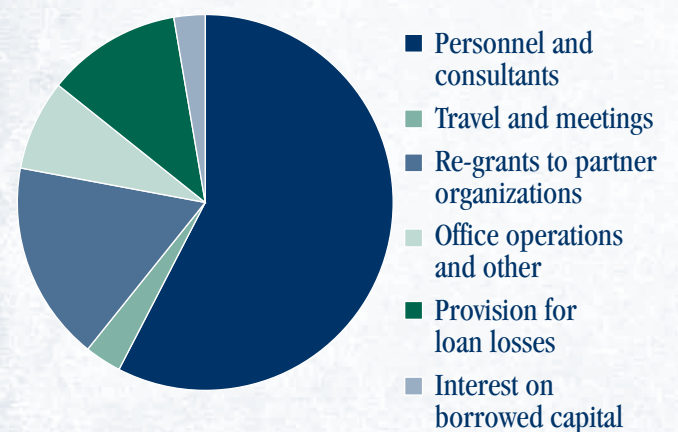
33 Public education presentations and presentations to decision makers

FY 2011 Financial Snapshot: May 2010 – April 2011

Total Sources: \$5,637,457



Total Expenses: \$3,650,505



Complete financial statements are available at maced.org.

Capitalizing on a Business Opportunity

The Teague Metal and Truss Company constructs trusses, metal roofs and pre-fabricated buildings. Owner Tom Teague has more than 30 years of steel manufacturing experience. He started the business in 2004 with four employees and that is when MACED made its first loan to the business. When Teague Metal was offered new contracts for a type of truss not previously manufactured by his business, Tom needed access to capital. MACED supported Tom's vision to expand and in 2011 provided a \$219,750 loan. The company was able to accept the new contracts and develop two new product areas that had previously been outsourced. As a result of this expansion, Teague Metal hired 10 new employees to fulfill the contracts, retained another 10 employees and expects to generate \$2 million of new revenue.

Reaping the Benefits of Energy Efficiency

Joyce Mullins is a retiree living on a fixed income in McKee, Kentucky, and is a member of the Jackson Energy Cooperative. Her home was built in 1971 and had never received any significant upgrades. She was living with high energy bills and was facing a winter without a properly functioning heat pump. But then she took advantage of all that How\$martKY has to offer. An energy audit was conducted on her home which determined the details of her retrofit. A new heat pump, new insulation and a new moisture barrier were installed. The fee on her monthly utility bill to cover the cost of the upgrades is far below what she has received so far in savings. Joyce said, "My house is now a comfortable place to live." She has benefited from the retrofit not only in energy efficiency but also in improved air quality and quality of life.

The MACED Family Continues to Grow

Many new staff and board members have joined the MACED team. Welcome to you all!

Staff

- Ashley Spalding has conducted research on social and economic policies affecting low-income families for the past 10 years and now joins MACED as a research and policy associate for the Kentucky Center for Economic Policy. Her doctoral and postdoctoral research projects at the University of South Florida focused on low-income housing and education, respectively. A Kentucky native, Ashley is thrilled to return to the area to live and work.
- Chris Porter began working as the development coordinator after working as a writer in the Development Office at Berea College. He holds an undergraduate degree in English from Roanoke College and an MFA in Creative Writing—Fiction from the University of Montana. A native Kentuckian, Chris was excited to return home and put down roots after living in the Pacific Northwest for eight years.
- Chris Woolery joined the How\$martKY team as the residential energy specialist. A former ENERGY STAR® builder and energy efficiency contractor, Chris has been a pioneer in energy efficient construction and remodeling in central Kentucky for more than a decade. Having built 21 ENERGY STAR homes and implemented energy upgrades to more than 600 households, Chris has learned which energy improvements are good investments.

- Geoffrey Willett served as a consultant for three years and is now an enterprise development program specialist. Geoffrey worked for 32 years with the North Carolina state government and taught at the University of North Carolina Environmental Studies Program, the Duke University Center for Nonprofit Management and Warren Wilson College.
- Paul Wright is the new enterprise development director. Paul previously served as senior program officer at Local Initiatives Support Corporation where he developed a nationally recognized comprehensive community development initiative. With more than 10 years experience consulting with small businesses (including his own), Paul brings a wealth of knowledge to the MACED team.

Board

- Ivy Brashear is a Perry County native who graduated from Eastern Kentucky University with a degree in journalism and then returned home as a reporter at the Hazard Herald. She is now a graduate student in the Community and Leadership Development program at the University of Kentucky.
- Vonda Poynter is director of consulting for the Federation of Appalachian Housing Enterprises. A Rockcastle County native, she brings more than a quarter century of experience as a well-connected housing advocate interested in residential energy issues across Central Appalachia.



News to Note

- The Kentucky Center for Economic Policy has published *The College Affordability Crunch in Kentucky: Meeting the Costs of College in an Era of Eroding State Support*. Visit kypolicy.org to download the report.
- MACED helped four groceries in eastern Kentucky receive grant awards from the USDA Renewable Energy for America Program for projects that will save energy and money.
- We're excited to be a first round capital grant recipient of the Create Jobs for USA Fund, a collaboration between Starbucks and the Opportunity Finance Network. The \$116,000 grant will help us create and sustain jobs in Appalachian Kentucky as part of a national campaign to support small, community businesses.
- The East Kentucky Leadership Foundation selected MACED as the 2011 recipient of the Outstanding Organization of the Year Award.

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