



# Grants in Wyoming: Constraints and Solutions

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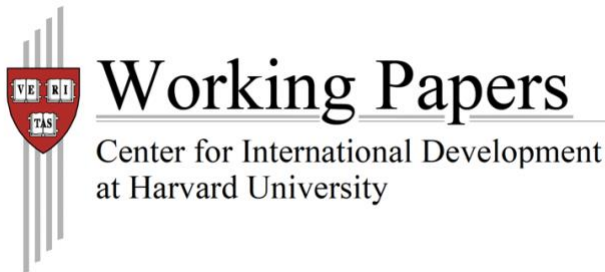
# Grants in Wyoming: Constraints and Solutions

Growth Lab: Pathways to Prosperity Project

Tim Freeman, Tim O'Brien, Alejandro Rueda-Sanz  
and Ricardo Hausmann

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Alejandro; Hausmann, Ricardo; and the President and Fellows of  
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## Preface

The following note is a product of the [Pathways to Prosperity \(P2P\) project](#). P2P is an applied research collaboration between the Harvard Growth Lab and the State of Wyoming, led by the [Wyoming Business Council](#). Following initial research by the project team on Wyoming's economic history, strengths, and challenges (see "[A Growth Perspective on Wyoming](#)"), the project focused on understanding and addressing several challenges facing the state economy. One such problem was widespread public investment gaps across the state and an apparent underutilization of state and federal grants to enable such investments.

This summary note follows eight months of intensive, iterative work on understanding and acting on this problem by a team that has included Growth Lab researchers, Wyoming Business Council regional directors, representatives from the Governor's Office and the Office of Senator Lummis, and the MC2 Collaborative. Over this period, this group has engaged with numerous additional state agencies and local government officials, and the work has supported the emergence and strengthening of a grants support network across the state. This note summarizes our current understanding of the problem, identifies principal constraints with supporting evidence, and discusses options for how to durably address the problem moving forward.

## Executive Summary

### **Wyoming communities are reliant on grants to fund local priorities, yet the grants system is not effectively meeting the needs of many communities across the state.**

This problem is central to the growth challenges of many rural economies across the state. Although this problem pre-dates the recent expansion of federal grant programs, the importance of this problem has grown in the last several years as the scale and complexity of federal grant opportunities — particularly discretionary grants — has increased. Wyoming communities are struggling to navigate and benefit from these federal funding opportunities. As of late 2023, the state is significantly underperforming many comparator states in the number of federal grants received and the distribution of federal grants across the state. Grant writers and administrators face a sometimes impossible task in navigating an ever-shifting grants landscape. This is a challenge for local governments across the country but may be especially important in Wyoming due to narrow local tax bases and the rural nature of the state.

### **Through an eight-month effort combining research and action, we have explored the causes of this problem to inform potential solutions.**

We have identified four *principal constraints* that are most to blame for Wyoming’s underperformance: (1) Lack of relationships between communities and funders; (2) Inability to follow changing grant opportunities (esp. federal); (3) Shortage of prioritized community needs and “grant ready” project plans; and (4) Overreliance on “local heroes” – especially for smaller communities. We argue that these challenges are “principal constraints” because they are binding for the largest number of communities, especially smaller communities. However, there are additional constraints that are critical for other communities, especially those that have more experience with accessing state and federal grants. This note summarizes key evidence we have found on each of these principal constraints. These constraints occur early in the grants process, meaning many potentially promising grant opportunities are never pursued. We find that many federal grant programs and discretionary award processes are inconsistent with the realities of scarce staff, resources, and bandwidth of local governments, especially in small communities. However, we find widespread examples and evidence that these constraints can be overcome through actions to enable a strong state-wide network that supports local leaders and grant administrators. Examples of success within the state and in other states show that building the capabilities of the network and enabling all communities to access the knowhow of the network can lead to much better grant outcomes.

### **The note closes with a discussion of how to target a network-enabling response to the grants problem.**

We outline a first-best option that centers on establishing regional officers who would be responsible for a set of tasks that would respond directly to the principal constraints identified. This approach would require annual funding, but preliminary analysis shows the return on investment overall would be very high and the approach would have the greatest benefits for smaller communities across the state. Very initial designs have been explored for how to establish such a system building on existing assets. Finally, we compare this first-best approach to alternative approaches that are closer to the current support actions underway in the state.

## I. What is the Grants Problem?

**Wyoming communities rely heavily on state and federal grants to fund needed public investment.** Communities experience significant funding challenges related to expanding and maintaining infrastructure. This is a reality faced by many rural communities across the country,<sup>1</sup> but the challenges appear to be especially problematic across Wyoming because of the structure of the state’s tax system and very limited local tax collection (see forthcoming P2P fiscal note). Wyoming municipalities also do not currently leverage the municipal bond market to finance capital investments in comparable volumes to other states. This may be a consequence of limited local revenues to support general obligation bonds and investment needs that would not generate sufficient revenues through projects themselves. In fact, not one Wyoming community has leveraged the municipal bond market in recent years, according to publicly available data on municipal bond issuances.<sup>2</sup> This is despite immense expressed needs for certain infrastructure. Municipalities across Wyoming submitted 113 American Rescue Plan Act (ARPA) applications worth more than \$225 million for water and sewer improvement projects, with the vast majority going unfunded. An inability to fund and deliver infrastructure upgrades has, in turn, been identified by P2P project research as one of two principal constraints undermining housing expansion across the state, which is a binding constraint to economic growth (see research note on [Housing Constraints and Solutions](#)).

**Despite the importance of grants across the state, Wyoming communities struggle to address community needs via the existing grants system.** At the state-level, Wyoming has numerous, long-standing vehicles for communities to access grant funding — for example through the Office of State Lands and Investments and its State Loan and Investment Board (SLIB) and targeted programs such as the Land and Water Conservation Fund managed by Wyoming State Parks. However, through repeated interactions and surveys, we find significant difficulties expressed by many Wyoming communities — especially smaller communities — in successfully accessing these grants and an expressed desire from state agencies to better serve “hard to reach” communities with their programs. At the federal level, Wyoming communities also can apply for discretionary federal grants, which have expanded dramatically in recent years. We find strong indications through available federal data, interviews, and surveys that Wyoming municipalities and other eligible communities face several significant constraints in accessing federal grants to better fund their public investment needs, which we explore in the next section.

**Although this struggle has existed for many years, the rapid expansion of federal grant funding programs has increased the cost of the problem of foregone funding for local infrastructure projects.** Federal spending packages such as the Infrastructure Investment and Jobs Act (IIJA) of 2021, Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act of 2022, and the Inflation Reduction Act (IRA)

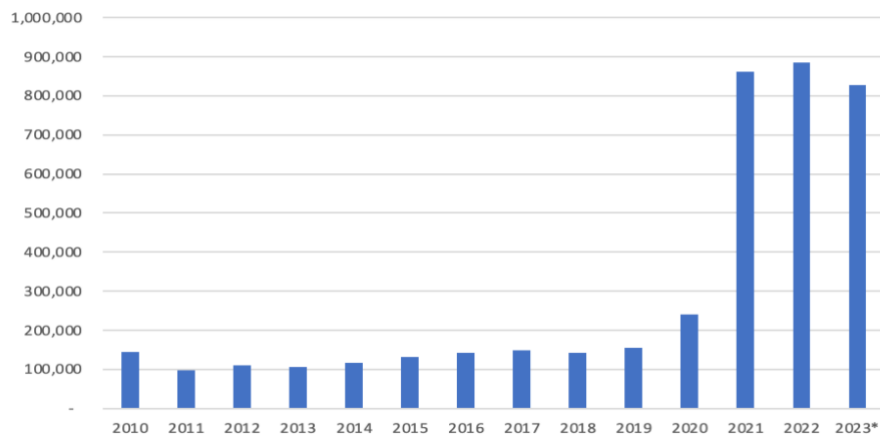
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<sup>1</sup> See, for example: <https://headwaterseconomics.org/equity/rural-capacity-map/>

<sup>2</sup> See <https://www.munios.com/>

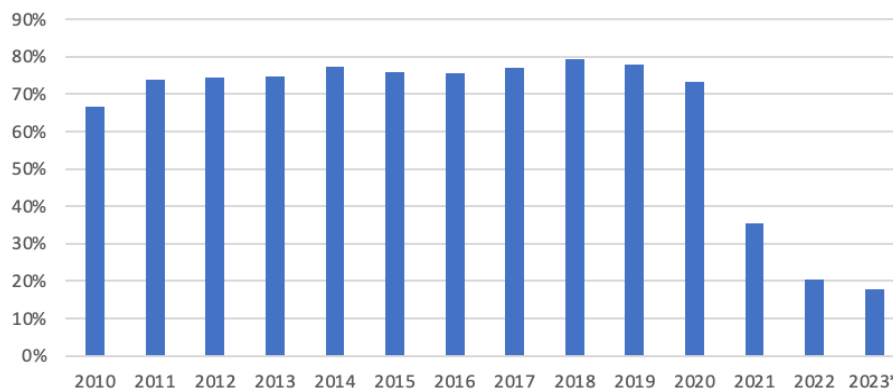
of 2022 have increased not only the level of funding channeled from the federal government to state and local governments and other entities through discretionary grants (Figure 1) but also the ability for municipal governments to apply directly to these grant programs. This is partially reflected in a large change in how federal grants are awarded from formula-based funding to a much larger role of discretionary funding (Figure 2). Since 2021, formula grants have plummeted as a share of federal grant spending from 75% to just 20%. This implies that 80% of federal grant money requires local applications to win awards, rather than much more passive formula distribution. This shift in federal grant disbursement has put enormous demands on localities to identify, apply to, and implement grant programs. This note documents how this is a nearly impossible task for smaller communities that do not — and cannot — devote the staffing, time and resources that are needed to maximize the benefits of the system.

**Figure 1: Total Federal Discretionary Grant Spending Obligations (as of Aug. 2023)<sup>3</sup>**



Source: [usaspending.gov](https://usaspending.gov)

**Figure 2: Share of Total Federal Grant Spending in Formula Grants (as of Aug. 2023)**

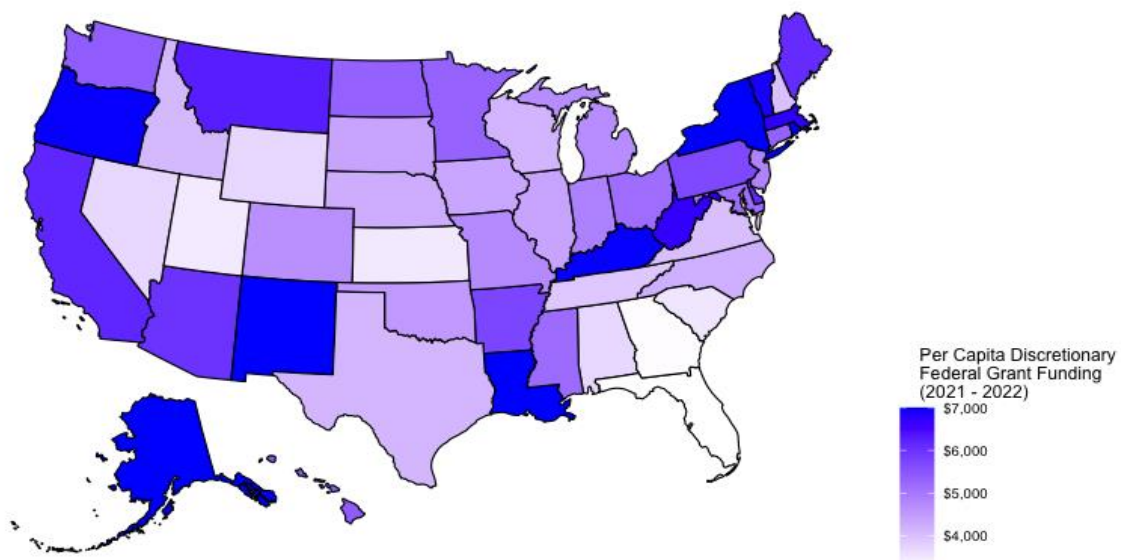


Source: [usaspending.gov](https://usaspending.gov)

<sup>3</sup> The USA Spending figures represent federal action obligation amounts for non-loan prime award transactions within the selected filters of “Grants” excluding “Formula Grants” (which are non-discretionary across states). The figures represent the “Place of Performance”.

The clearest indications that Wyoming communities are missing out on funding resources come through federal data, which shows that Wyoming is awarded few discretionary federal grants in per capita terms. Figure 3 shows that discretionary grant funding channeled from the federal government into the state are low on a per capita basis, which is especially surprising for a low population state. The chart shows FY2021 and FY2022, the years in which the recent federal spending packages went into effect. Wyoming’s per capita awards of \$3,689 over the two years are the sixth lowest across states. Worse yet, certain states with lower per capita figures such as Florida and Georgia boast high populations and thus receive much higher level of discretionary grant funding in absolute terms, despite low per capita figures. This outcome is especially problematic because Wyoming would be expected to have additional access to funding as most of the state falls within the Interagency Working Group (IWG) on Coal and Power Plant Communities, a federal initiative intended for communities affected by the ongoing energy transition.

**Figure 3:** Per Capita Discretionary Federal Grant Funding by State (2021 – 2022)



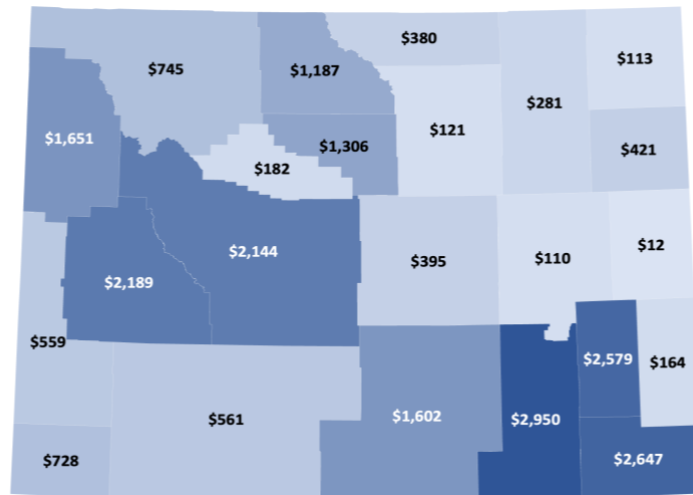
Source: [usaspending.gov](https://usaspending.gov)

**Not only is the state not winning its share of discretionary grants, but few communities within Wyoming are on the receiving end of these federal funds.** The need for grants is apparent across the state, in both the cities and the rural areas. Nevertheless, large swaths of the state are unable to access federal funding opportunities. As shown in Figure 4, some of the highest population counties are also the highest recipients per capita.<sup>4</sup> Other states appear to be achieving more widespread

<sup>4</sup> Notably, as shown in Annex1, state level funds such as the Office of State Lands and Investment (OSLI) are distributed more equitably across the state.

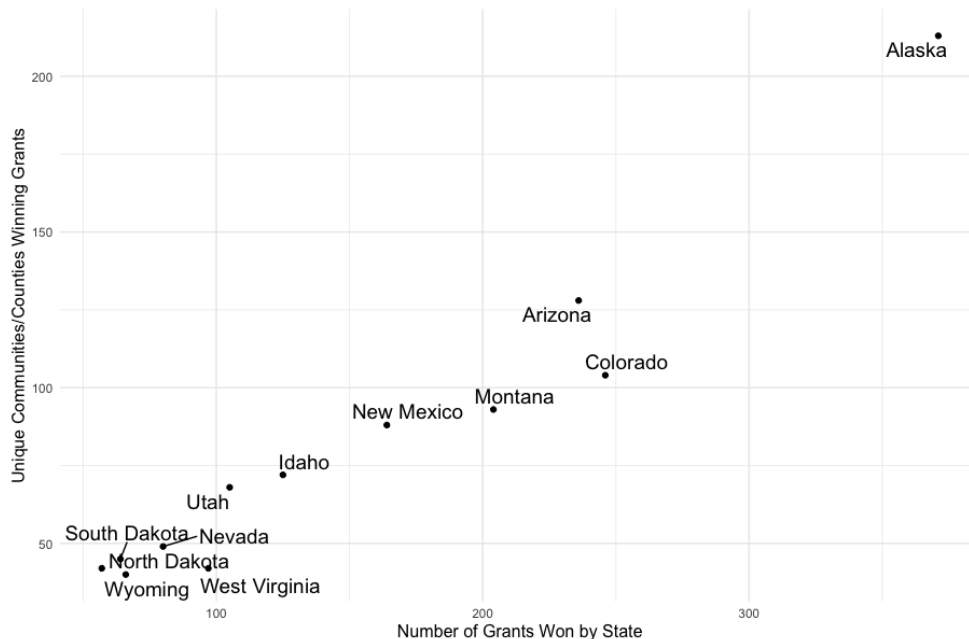
access to new federal grants across communities. As of September 2023, Wyoming overall has received far fewer discretionary grants under IJJA/IRA programs than many other western and natural resource intensive states and far fewer Wyoming communities have had success (Figure 5). Alaska has mobilized discretionary grants under IJJA/IRA to more than five times as many communities as Wyoming and has been awarded about 12 times as many grants overall.

**Figure 4:** Per Capita Discretionary Federal Grant Funding by County (2021 – 2022)



Source: usaspending.gov

**Figure 5:** Total Number of Grants and Number of Unique Communities, Cities or Counties Receiving Discretionary IJJA/IRA Grants



Source: White House (2023)



**Outside of cities, towns, and counties, the University of Wyoming is an important asset in the state’s grant system, which may be underutilized.** The University of Wyoming is an anchor for federal grants, especially research and development grants, due to its unique role in the state as a land-grant university and Wyoming’s only four-year, degree-granting institution. UW recently won a federal grant under the IIJA spending package to support a large-scale carbon capture and storage hub.<sup>5</sup> The grant exceeds \$40 million in funding and represents the second largest IIJA grant for Wyoming (the largest grant was awarded to the company TerraPower to support its advanced nuclear reactor project in Kemmerer). UW is also a participant in “The Intermountain-west Nuclear Energy Corridor (INEC) Tech Hub,” which is one of the inaugural tech hubs designated by the U.S. Economic Development Administration.<sup>6</sup> However, the University has room to grow when compared to public university peers across the country in terms of federal research and development funding (Table 1). The UW education network expands across the state, with several areas benefitting from its extension programs, but the University does not have a formal role in expanding grant access across the state.

**Table 1:** Ranking of Public Universities by Federal R+D Funds Received

<b>Rank</b>	<b>Public University</b>	<b>Federal R+D Spending (2021, thousands)</b>
107	U. Texas, Dallas	\$58,249
108	SUNY, U. Albany	\$56,425
109	U. Tennessee, Health Science Center	\$56,021
110	Naval Postgraduate School	\$54,855
<b>111</b>	<b>U. Wyoming</b>	<b>\$54,444</b>
112	U. Alabama, Tuscaloosa	\$53,880
113	U. Idaho	\$51,021
114	U. Arkansas, Fayetteville	\$48,534
115	U. Massachusetts, Lowell	\$48,179

Source: <https://nces.nsf.gov/pubs/nsf23304#section13105>

<sup>5</sup> <https://www.energy.gov/articles/biden-harris-administration-invests-251-million-expand-infrastructure-support-co2>

<sup>6</sup> <https://www.eda.gov/funding/programs/regional-technology-and-innovation-hubs>

**As many communities across Wyoming seek to rejuvenate their economic future in ways that are resilient to global changes, this weakness in accessing and mobilizing grant funding is an important problem.** Communities across the state, especially many smaller communities that have experienced population decline, have large unmet needs in infrastructure spending. At times, such infrastructure is necessary for developing new growth drivers and maintaining high quality of life for residents. These are the types of rural communities that many federal programs through IIJA were envisioned to target. But these communities are, by and large, not connecting to the envisioned funding resources. Some challenges faced by smaller communities in navigating the highly complicated and fast-changing environment are common across the country. Small communities do not have the resources and expertise to navigate hundreds of federal grant programs, short application windows, and onerous processes; and Wyoming has a higher share of its population in rural areas than most states. Nevertheless, such challenges are not insurmountable as similarly rural states have won higher per capita funding with a larger number of communities receiving grants as well. Wyoming communities also appear to face distinct challenges in accessing state-level grants which have existed long before the recent expansion of federal discretionary grants. Communities also remain unusually reliant on such grants due to the state's own tax system. This reliance may increase as taxes on fossil fuels are expected to decline.

**Based on these observations and widespread stakeholder interaction, the P2P working group on grants defined the problem as follows:** *“Wyoming communities are dependent on grants but are unable to achieve effective and lasting impact despite the influx of federal funding opportunities and existing state resources. This may be because of a lack of capacity to research, identify, prioritize, plan, apply, administer, and manage projects.”*

## **II. What Constraints are Most to Blame for the Grants Problem?**

**Given the importance of the above-stated problem, we explored intensively what issues explain Wyoming's poor performance in mobilizing grant resources to communities in need of funding.** By identifying which constraints are most to blame, we can identify response actions that would have the largest positive impacts by relaxing the most binding constraints. We present a set of options in Section III of this note. Importantly, the problem we seek to understand is not only related to access to federal grants. Many communities across Wyoming have also been unable to access state-level grants. However, the rapid growth of federal grants in recent years increases the scale of missed funding opportunities that would provide additional funding support above what the state can provide. The comparatively poor performance of Wyoming in accessing federal discretionary growth shows that there is room to improve. Since Wyoming is facing an ongoing shock to its state revenues due to its high reliance on taxes on fossil fuel production, missed federal grant opportunities — especially through programs meant to target states facing the energy transition and rural communities like those in Wyoming — are especially important. We find that the causes of weak access to federal grants also reveal important issues for communities in accessing state-level grants.

**One approach to help find where constraints are most binding in the grants system is to deconstruct the process of grant awards to see where communities tend to get stuck.** Grant solicitation and implementation is a process with several distinct steps. The P2P working group on grants developed a simplified summary table of key steps (Figure 6), that divides the process into four broad stages — Pre-Notice of a Funding Opportunity (NOFO), Proposal Preparation, Award Phase, and Closeout — with corresponding steps under each stage. This table was created iteratively using inputs from many stakeholders, including community representatives, state agencies, public sector grant writers and administrators, federal funding organizations, and grant support contractors. The table is an oversimplification and could be expanded to capture more steps, but this level of detail was found to be useful for exploring which steps create critical hurdles for communities across Wyoming who are struggling to access federal (and state) grants.

**Figure 6:** The Federal Grant Lifecycle from the Grantee Perspective

Pre-NOFO	Proposal Preparation	Award Phase	Closeout
Identify Need and Initial Project Design	Complete Project Design (scope, objectives, activities, and outcomes)	Day-to-Day Project Implementation and Financial Management	Final Reporting
Identify Funding Source (incl. overall orientation to federal grants)	Cost out Various Aspects (incl. risks)	Reporting (administrative, financial, programmatic) including Progress Reports	Final Auditing
Organizational Readiness	Proposal Writing, including Justify Need	Regulatory Adherence (environmental, labor, procurement, etc.)	Unused Funds Hearing
Build Relationship with Funder	Raise Matching Contribution or Co-Investment as Needed	Contract Services as required	
		Responding to changes outside the normal day-to-day (inflation, COVID, etc.)	

**Several approaches were used to gather evidence on which of these steps are most problematic for communities across Wyoming.** As this note summarizes issues that were found to be most binding, we utilize evidence of the following types.

- **Process tracing:** Through focused conversations with community leaders, grant writers and administrators, grant funders, and grant support agents across the state, the team sought to understand the “cradle-to-grave” steps of grants in the state. This effort resulted in the lifecycle understanding shown in Figure 6 and many insights into what has made the difference between successful and failed grant efforts in many cases.
- **Data collection through surveys with local grant writers and administrators:** While data sources utilized in the first section of this note are helpful for understanding where grant resources are flowing, especially federal grants, they have limited value toward revealing information about what constrains more places from winning grants. We complemented available quantitative data with targeted surveys to understand information about the practices, perceived challenges, and expressed needs of Wyoming communities. The first Wyoming Federal Funding Summit,<sup>7</sup> which took place in June 2023 provided an opportunity to survey a large and diverse group of community representatives. In coordination with event organizers, we conducted a rapid pre-summit survey (results available [here](#)) of participants to understand their experiences and challenges, as well as their goals and questions for the summit. We also conducted a post-summit survey (results available [here](#)) to collect feedback from participants on the summit itself and to understand community preferences and needs for various types of follow-up support.
- **Understanding “positive deviance”:** Whereas process tracing is most powerful for identifying where grant efforts become stuck, finding examples of local success is important for understanding how some communities overcome common hurdles and enjoy relatively greater success in winning grants. Examples of success from within the state are especially important because these communities will face all or most of the same constraints and burdens as the rest of the state. They may have a particular inherent advantage, which can be identified,<sup>8</sup> or may have developed solutions that could be used by other communities. Throughout this section, we draw upon examples of positive deviance at the municipal and county levels. These examples were gathered through unstructured interviews and complemented by surveys. We also explore examples of success across other states. States achieving better access were targeted for unstructured interviews with state agencies. The states of Alaska, Montana, and Colorado provide especially useful examples from other Western states with many remote and rural communities.
- **Action steps by state and local counterparts:** The roughly eight-month period leading to the development of this summary note was not purely focused on learning about the grants problem and constraints. The approach of the P2P working group on grants has been to act based on learning. Key action steps taken during the period included enabling the Wyoming Federal Grants Summit, the formation of a volunteer-

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<sup>7</sup> See <https://www.lummis.senate.gov/federal-funding-summit/>

<sup>8</sup> For example, as seen in Figure 4, counties close to government offices in Cheyenne (Laramie, Platte, Albany) as well as counties with anchor institutions (such as the University of Wyoming).

based Wyoming Grants Services Coalition following the summit, and active support toward strategic grant applications, including on housing. Action steps not only aimed to respond rapidly to support the expressed needs of communities where possible but also served as a vital way of learning. For example, the training in grant writing through the summit helped to inform what challenges communities face beyond grant writing and highlighted the need for continuous support in peer revising of applications — which will be a focus of the Wyoming Grant Services Coalition. By convening local communities and federal agency representatives — as well as through ongoing conversations on both sides — the work helped to understand communications shortfalls in more detail. By reviewing and supporting applications, the actions helped to understand specific local gaps in planning and preparation.

**Using the above approaches, we have identified the following principal constraints in the grants system in Wyoming.** These constraints were not immediately obvious from the start of this work and are not the first issues that observers of the problem tend to think about. One might think that if the problem is mobilizing grants, the constraint must be a shortage of grant writers and grant writing expertise. While that is an issue in Wyoming, we find that this is not a principal problem. Even if there were double or triple the number of grant writers, these other constraints would still be expected to result in the overall problem. The remainder of this section discusses these constraints and highlights supporting evidence for why these issues are most binding.

- Lack of relationships between communities and funders
- Inability to follow changing grant opportunities (esp. federal)
- Shortage of prioritized community needs and “grant ready” project plans
- Overreliance on “local heroes” – especially for smaller communities

### **Principal Constraint #1: Lack of relationships between communities and funders.**

Relationships are key to identifying and understanding grant opportunities as well as preparing high quality grant applications and responding to unpredictable circumstances as they arrive. A direct line of communication matters early and in numerous ways, as will be seen across the other principal constraints. Communities with robust connections to funding organizations can better decipher grant stipulations and funder expectations. Direct relationships not only allow communities to seek clarifications on NOFO ambiguities but also, as one Wyoming stakeholder expressed, to raise seemingly simple questions without reservations. This saves potential wasted effort and increases likelihood of successful grant applications. On the other hand, communities without these ties face hurdles due to their sparse grant histories, making it challenging to match their applications with funder expectations nor to establish mutual trust. There is only so much that can be communicated and understood through online resources, no matter how well designed. While direct and proactive relationships are an enormous asset, an obvious problem is that communities cannot maintain many relationships with multiple agencies. Nor can agencies maintain relationships with all potential qualifying communities. Agencies are also wary of direct information because they do not want to benefit some

applicants over others. However, a passive approach serves to favor better resourced and more experienced communities that have an inherent and inherited advantage.

*Process tracing:* Interviews with grantees traced the step-by-step process of winning (and losing) a grant. Much of the pre-NOFO stage is a particular challenge for Wyoming communities, and as a result many grant applications do not get off the ground. Many communities expressed not knowing where to start and/or identifying an opportunity too late. A strong relationship between the potential grantee and the funder was found to push forward every stage of the grant process, especially steps in the pre-NOFO preparation, such as identifying the most competitive funding source and understanding whether funder expectations align with local needs, in turn informing grant proposal development. A lack of relationship between grant funder and grantee inhibits preparation and results in opacity that sometimes prevents applications to get submitted. This comes up as a problem for larger communities across Wyoming as well as smaller communities.

*Surveys with grant writers and administrators:* In the pre-summit survey, participants were able to write open-ended responses to barriers they face. About one in four of the 99 respondents from municipalities across the state indicated a general lack of knowhow of the grants system, which was the second most common type of response for municipality representatives, behind a lack of resources for grant administration (Figure 7). This response became by far the most common type for smaller municipalities with under 5,000 people. When asked “When working with grants, do you know who to contact when you have an issue?”, smaller municipalities also stood out, with just 17% saying “yes” (25% saying “no” and 58% saying “sometimes”). In the post-summit survey, participants were asked to say how much they would expect to benefit from a range of support activities (Figure 8), with responses ranging from “not at all” to “a little” to “quite a bit” to “a lot”. A high share (about 7 out of 10) of overall respondents saw communications support as a highly beneficial form of support in comparison to other options.<sup>9</sup> Interestingly, respondents were equally likely to value this support for communication with state offices as with the federal government, indicating that communications challenges are not limited to the federal government. In the same survey, 3 out of 10 respondents said regional grant offices would be their top priority for support out of six options (training opportunities, regional grant offices, state data repository, state narrative, online forum, networking events) and another 3 out of 10 said this would be a “high priority” area of support. This could be an indication that a layer of regional support could help strengthen communication channels, as well as deliver other benefits to communities.

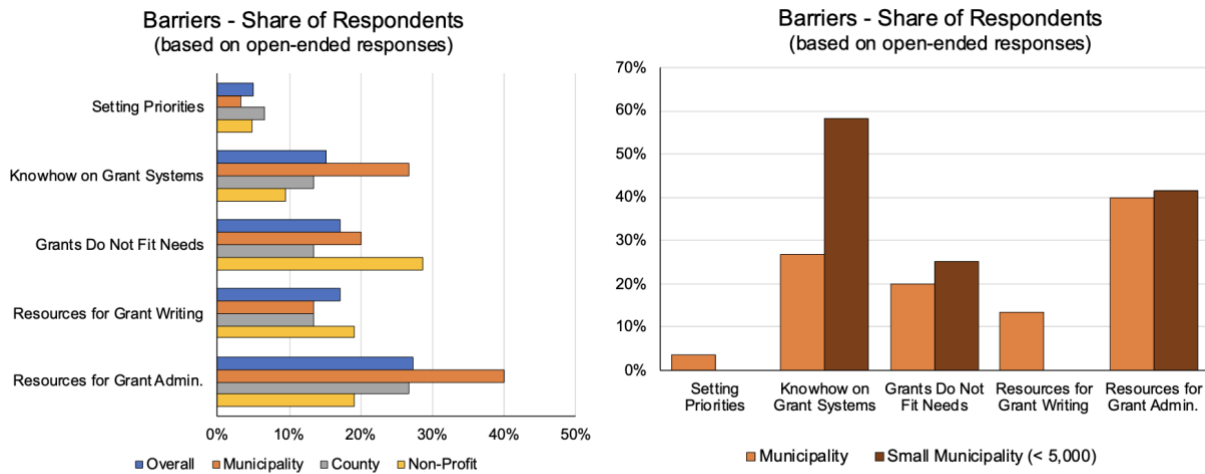
*Positive deviance:* Federal data shows that counties physically closest to the federal offices and existent grant support in Cheyenne perform above average in discretionary federal grant funding, per Figure 4. One reason for this may be that geographic closeness allows more direct relationships and information sharing in Cheyenne and Laramie as well as more connectivity to federal regional offices in Denver. However, not all examples of positive deviance are in the Southeast. The towns of Upton and Lovell are among the

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<sup>9</sup> It is telling that communication support and a few other areas discussed elsewhere in this note were even more popular than financial support in the form of supporting matching funds.

most successful at mobilizing state-level grants (see Annex 1) and representatives attribute this to a focus on working closely with state-level grant systems. According to interviews, active grant support outreach by SLIB, DEQ, the State Budget Office ARPA portal, the Wyoming Business Council, and UW have proven to be key for communities and other Wyoming entities to successfully win and implement grants at the local level. UW's participation helped secure the \$40 million large-scale carbon capture and storage hub grant from IJA previously mentioned. Proactive conversation with remote communities helps overcome initial hurdles in the grant process, such as identifying which grant is most competitive as well as tackling basic procedural steps.

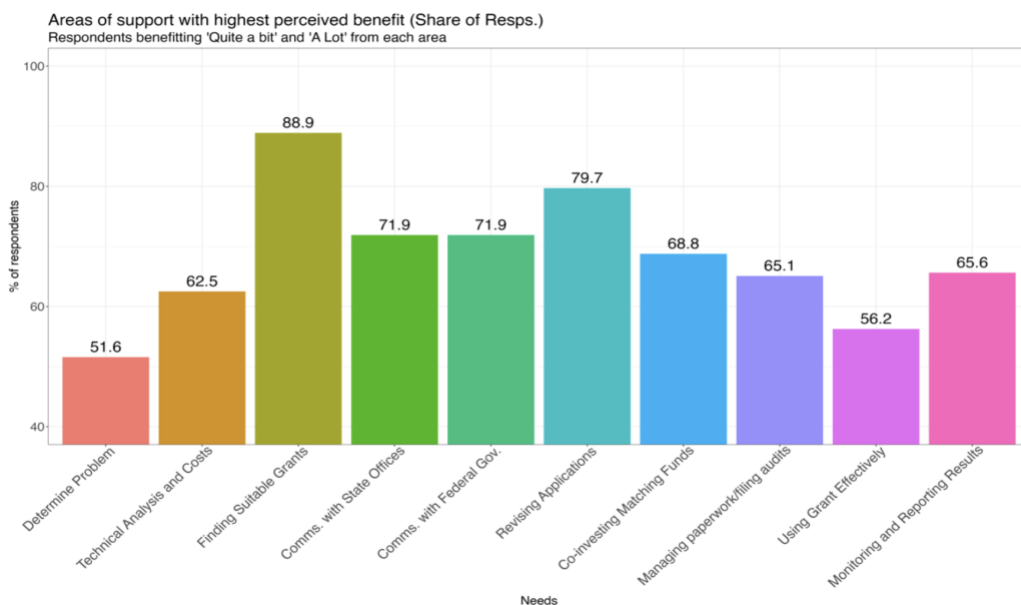
**Figure 7: Pre-Summit Survey Responses on Self-Assessed Barriers**



Note: Resources for Grant Administration includes difficulty in matching funds.

Source: P2P Pre-Summit Survey

**Figure 8: Post-Summit Survey Responses on Perceived Benefit of Support**



Source: P2P Post-Summit Survey

## **Principal Constraint #2: Inability to follow changing grant opportunities.**

With new opportunities coming online continuously, especially since the federal expansion of discretionary grants since 2021, potential grantees are unable to identify suitable opportunities in a timely and effective manner. For smaller communities, taking the time to understand a new opportunity is a genuine burden, if it is identified at all. Communities have a ubiquitous challenge where they do not — and very often cannot — sort through the wide variety of grant opportunities that are made available to them. Communities very often do not know about relevant grants until after initial deadlines have passed or too late to act on the opportunities. Similarly, misunderstanding eligibility — which are not always clear through online information — curtails the entire grants process. This is especially striking for federal programs, which span across numerous departments and agencies. Federal partners know that the volume of opportunities and short timelines for applicants are a problem, and thus they produce online tools, newsletters, and webinars to help communities navigate opportunities. This flood of resources becomes its own challenge for resource-poor communities that do not have nearly enough staff time to monitor these resources. One state-level official from another state summarized it by saying, “they are crushing us with webinars.” Even when grant opportunities are identified early, there are also numerous questions that will come up in the grant preparation process about whether an activity qualifies or certain relevant details that will not be clear from online resources and FAQs, no matter how expansive. Experienced grant writers will often have more accumulated knowledge that gives them an advantage in interpreting written guidance due to their previous experience with grant-making agencies, but this puts smaller and resource poor communities at an added disadvantage.

*Process tracing:* Too often, the wealth of grant opportunities prevents communities from finding options that fit their needs. Moreover, identifying a prime opportunity too late does not allow a community a chance to develop a strong application. When tracing the process of grants, by far the biggest gap is in communities never applying for potential grants that they may qualify for, rather than grant applications being rejected or issues in later stages.

*Surveys with grant writers and administrators:* This challenge also appears clearly in the post-summit survey. As shown in Figure 8, among all listed ideas for support, respondents were most likely to say that support in “finding grant sources suitable for my problem” would benefit them “a lot” or “quite a bit.” Almost 9 out of 10 respondents indicated this. This also aligns with a surprising result from the pre-summit survey that many communities have been successful when they have applied to grants. Half of all municipalities said they were successful in more than 75% of their applications and two-thirds said they were successful at least 50% of the time. For overall participants, the reported success rates were only slightly lower. In line with the qualitative process tracing, this suggests that the biggest hurdle is getting started.

*Positive deviance:* Other states that have seen more success in mobilizing federal grants under IIJA were found to share some commonalities in the support systems that they offer to communities. One key area is that they have entities at the state-level that serve a large-scale role in working alongside communities to identify and pursue grant opportunities that match their needs. Several aspects of these state-wide systems are



noted in Box 1. Whether it is through non-profit with some state funding as is the case with the Alaska Municipal League or through a fully state-led function as with the Colorado Department of Local Affairs, communities have a centralized center of expertise that can first support them in navigating possible grant opportunities to apply to and then provide additional types of support depending on the state system and communities' needs. Within Wyoming, the active hand-in-hand support by the State Budget Office in navigating the ARPA portal has proven immensely useful for communities to understand and apply to funding through the multitude lines of ARPA-related programs of the state.

### **Box 1: Notable Features of Statewide Grant Support Systems in Other States**

#### **Alaska**

- Alaska Municipal League (a nonprofit) differentiates support by local capacity.
- Denali Commission provides direct links to federal processes.
- Matches community needs to funding source.
- Supports development of project proposals from conception to solicitation.
- Provides broad support in grant monitoring and compliance.

#### **Montana**

- Facilitates collaboration across communities, especially for irrigation/water.
- Funds engineering analyses for local communities at beginning of grant process.
- Cross Cutting Water, Wastewater and Solid Waste Action Coordinating Team (W2ASACT) provides technical assistance across the state on water programs.

#### **Colorado**

- Colorado Department of Local Affairs boasts permanent staff for supporting local government, with a recent rise in staffing to support federal funding acquisition.
- Pre-application letter of intent on state-level funds.
- One-on-one community meetings and open communication follow-up.
- Focus on getting communities through the door.
- Prioritize planning grants.

Source: Based on interviews by P2P working group with other states

### **Principal Constraint #3: Shortage of prioritized community needs and “grant ready” project plans.**

To be successful in leveraging grants effectively, project plans should follow from prioritized community needs rather than sometimes perceived need to “chase grants” that become available. Funding and grant-providing agencies cannot substitute for local priority setting and project preparation. Nor can support and trainings in grant writing and grant preparation overcome an initial lack of local prioritization and planning. This is a fundamental hurdle that the P2P working group has found for many communities across the state, especially smaller communities with more limited bandwidth and resources. Communities with limited bandwidth to apply for grant funds must ensure that they

coalesce around a community need to focus political will, staff resources, and co-investment appropriately. Given short application windows, projects that come from a prioritized community need where significant preparation has been done before the NOFO stage makes for stronger applications and more successful outcomes. When community leaders can drive a process to identify local priorities, convene stakeholders to evaluate possible project responses, and conduct a targeted search for relevant grant opportunities, they position themselves for the most success. However, the previous two constraints highlight how the system can pull them to being reactive rather than proactive in pursuing grants. It is important to note that this gap is relevant for both federal and state-level grant programs. The State Loan and Investment Board (SLIB) requires sufficient planning, including forward looking maintenance planning, but notes that this is not delivered by many applications. In fact, one community leader representing a town with relatively higher success noted how “there is lots of money out there, but what we pursue has to be sustainable to maintain.”

*Process tracing:* In multiple cases across the state, successful grant applications have their genesis in a community rooting themselves in a strong need. Successful communities will then commit the needed resources and political capital to winning grants based off the identified community priority. Other communities, without coalescing around a single clear vision, end up applying scattershot across uncompetitive grant buckets and often do not put forward any strong grant applications (or any applications at all). One community leader summarized this challenge by saying, “we have so many needs we don’t know where to begin”. Without local prioritization and focus, all the remaining steps in the process of grants become much more difficult.

*Surveys with grant writers and administrators:* In the pre-summit survey, less than half of respondents identified community needs through a strategic plan or other written answer that indicated significant planning (e.g., capital improvement plan or similar). Approximately two-thirds of municipalities indicated such a plan and half of small municipalities (population under 5,000). Although fully developed medium-term plans are not always necessary for prioritizing a need, these responses confirmed that many communities have significant planning gaps. In the post-summit survey, when asked if they viewed their current planning processes as sufficient, 3 out of 10 respondents said “no” and another 3 out of 10 said “maybe”. Respondents indicated a high desire to improve coordination and documentation of plans in open response questions.

*Positive deviance:* The positive deviance of the Town of Lovell provides an example of the importance of initial prioritization and planning. Lovell succeeded in diagnosing a regional need for water infrastructure and committed to a long-term plan to replace its water system in coordination with OSLI throughout the 2010s. However, we also find examples where prioritization and planning are well-established but where communities run into barriers in matching to grant opportunities. This is the fundamental barrier for implementing three remaining segments in Rock Springs’ Bitter Creek Reconstruction Project.<sup>10</sup>

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<sup>10</sup> For more information, see: <https://www.rswy.net/department/division.php?structureid=30>

## **Principal Constraint #4: Overreliance on “local heroes” – especially for smaller communities**

In cases across the state where smaller communities have mobilized grant funding, interviewees point to a nearly universal condition where an individual took on a leadership role beyond reasonable expectations and exhibited unusual perseverance to lead the community’s pursuit of grants. These “local heroes” gain expertise through trial and error, use of training and other resources provided by grant making agencies, and their own networks. Interviewees use terms like “grit and determination” and “beyond the call of duty” to capture the efforts that local heroes take. While their efforts are worth celebrating, they reflect a problem in the system. Local heroes cannot emerge for all communities that could benefit from greater access to grants and success should not require them. Even for communities have been more successful, a retirement or a job change will result in a loss in institutional knowledge on grants. Additionally, local heroes are not a magic bullet, as they tend to have repeated success with familiar grant sources more easily than developing expertise in new grant sources. This also leads to state agencies recognizing that they have many “repeat customers” and “usual suspects” making strong applications for their programs. Solutions to the grant system problem must eliminate the intense need for local heroes, but solutions may also benefit from better leveraging the hard-won expertise of local heroes to extend benefits to more communities.

*Process tracing:* Many local needs, overwhelming information on grant opportunities, tight timelines for applications, and shortages of resources and staff time leave small communities with enormous hurdles to overcome in competing for grant. The multitude of steps in the pre-NOFO and application development stages either relies on an exceptionally committed and resourceful individual, or (more commonly) means the grant application never gets off the ground. Importantly, because of the need for local ownership of priorities (Principal Constraint #3), local heroes need to emerge locally. We did not find any examples of this role being brought in from the outside, as can be done with some aspects of grant writing and administrative support.

*Surveys with grant writers and administrators:* In the pre-summit survey, 29% of all respondents did not have any staff who focus part of their day on grants — and this was among a group of participants who were involved enough to attend a multiple-day grants summit.

*Positive deviance:* Relative success across some of Wyoming’s smaller towns consistently points to the reliance on “local heroes”. These individuals are recognized as strong planners, relationship builders, and managers and can make the difference even for towns with very low populations like Upton (population <1,000) and Meeteetse (population <500).

### **Constraints and Blockages in Summary**

**In Figure 9, we can roughly map the four principal constraints that have been identified onto the previously shown federal grant lifecycle. This time we mark the**

blockages that appear to be most critical across Wyoming in red. Relationships with funders (Principal Constraint #1) and identifying funding sources (Principal Constraint #2) are key issues. Widespread gaps in local prioritization and planning (Principal Constraint #3) bind for communities in both the pre-NOFO stage and in the project preparation stage. Overreliance on local heroes (Principal Constraint #4) can be seen across these same blockages in the tasks that these individuals are able to accomplish. There is a clear finding across these blockages and constraints that most communities run into major issues very early in the grants process.

**Figure 9:** The Federal Grant Lifecycle with Principal Blockages Marked Red

Pre-NOFO	Proposal Preparation	Award Phase	Closeout
Identify Need and Initial Project Design	Complete Project Design (scope, objectives, activities, and outcomes)	Day-to-Day Project Implementation and Financial Management	Final Reporting
Identify Funding Source (incl. overall orientation to federal grants)	Cost out Various Aspects (incl. risks)	Reporting (administrative, financial, programmatic) including Progress Reports	Final Auditing
Organizational Readiness	Proposal Writing, including Justify Need	Regulatory Adherence (environmental, labor, procurement, etc.)	Unused Funds Hearing
Build Relationship with Funder	Raise Matching Contribution or Co-Investment as Needed	Contract Services as required	
		Responding to changes outside the normal day-to-day (inflation, COVID, etc.)	

**Figure 9 also marks blockages in yellow that appear to be widespread and important but not as critical for most communities.** These blockages were seen in several cases but, unlike those marked red, were not found to be as widespread through process tracing, surveys, examples of positive deviance, and actions taken. Some of these constraints may be very critical for some communities, especially larger and more

experienced communities that can more easily overcome the initial constraints. Matching funds are an important problem given limited local tax bases. Those with more familiarity with federal grants also voice distinct challenges and concerns with adhering to complicated procurement and other regulatory rules that do not apply to state grants and in normal operations as well as the process of auditing and very long reporting timelines that come after a project is completed. These are therefore important issues as well, especially for larger potential projects that go unfunded across Wyoming. But at the same time, addressing these yellow blockages only would leave most communities across Wyoming left out of the process from the start.

**Lastly, one concern outside of the process itself that was brought up regularly is a misalignment between Wyoming communities and common metrics used for federal grant qualification.** Though Wyoming has many communities that are subject to the energy transition, these communities sometimes do not meet the criteria for population density or income levels that are used to assess whether a population is disadvantaged. Similarly, Wyoming's low racial diversity also leaves many communities out of the running for grants targeted to historically underserved communities. These are federally determined metrics that regularly complicate the process of grant identification and lead to frustration from Wyoming communities when they may appear to qualify for a grant based on an initial description but no longer qualify when reviewing the "fine print". Some of this misalignment may be an unintentional result of agencies defining grants with certain example communities in mind. This may be the case for coal communities, where population densities and income levels in Wyoming coal communities are different than in Appalachia coal communities. In the process of trying to target grants, federal agencies may undermine the reach and impact of programs.

### **III. Targeting a Response to Address the Grants Problem**

**To be effective, response options should target addressing the four principal constraints identified above.** To address the most important gaps for the largest number of communities, response actions should functionally deepen relationships between communities and funders at scale, embed new capabilities for following and understanding changing grant opportunities, enable more local prioritization of needs and "grant ready" project plans, and reduce reliance on "local heroes". These issues appear to be fundamental for explaining Wyoming's shortfalls in grant access. Addressing additional gaps (including those highlighted in yellow in Figure 9) would be desirable but gains from doing so would be expected to be more limited without also addressing the principal constraints.

**When looking across the four principal constraints, there is a clear need to focus on empowering Wyoming communities as a network as opposed to a reliance on training of individual communities and leaders.** Full-scale solutions cannot come from individual trainings and isolated support to communities. Though trainings can be

useful,<sup>11</sup> they will only benefit communities with the ability and bandwidth to access them to begin with. It is not possible for every community to develop strong relationships with funders or for very limited local staff to navigate hundreds of grant opportunities with different time frames and expectations. It would be much more promising to strengthen networks across the state to expand capabilities and allow all communities across the state to leverage expertise and connections. Though not possible at the individual level, it is possible for all communities to collectively have access to funder relationships and support in navigating grant opportunities through a well-connected network. This would reduce some reliance on local heroes. While there are some basic capacities for prioritization and project planning that must be provided locally, there are also support networks that can provide tools, outside expertise, and data resources that may not be available or widely accessible to support locally owned prioritization and planning.

**Response actions should build on capabilities that already exist across Wyoming, including recently developed systems that have emerged over the last year.**

Wyoming does not need to build solutions from scratch. In fact, the presence of local heroes across the state suggests that there are people with hard-won capabilities that could be leveraged within a stronger grant support network. Some of these capabilities are already being put to broader use through the newly formed Wyoming Grants Services Coalition. Wyoming also has significant assets within state agencies and entities that have mobilized grants for many years and newer resources that have improved over the last year through federal support systems like the Interagency Working Group (IWG) on Coal & Power Plant Communities & Economic Revitalization.<sup>12</sup> The State Government has also contracted external organizations to support communities with grant writing and has requested proposals for greater contractor support toward this grant writing and administration, community training and developing data information systems. State agencies also have substantial data that could be better utilized in local needs assessments and grant applications themselves. Centers and programs at the University of Wyoming have substantial capabilities to leverage such information.

**Repeatedly, this research has found that state-level and/or regional support positions are critical to success but are missing within Wyoming's grant support network.** Montana, Colorado, and most notably Alaska through its Alaska Municipal League all have units with the central mission of supporting local communities in accessing state and federal grant resources. These support systems have strong regional connections across the states and build on relationships that have been built over a long time. This allows them to map local needs to grant resources and provide targeted support. They are also able to seek out communities that are repeatedly left out of opportunities, though this remains a challenge in most or all cases. Wyoming does not have this layer of support, which leaves communities with a more difficult starting position in accessing grants, more isolated from information and connections, and more reliant on the presence of local heroes. Meanwhile, regional officers are in high demand from

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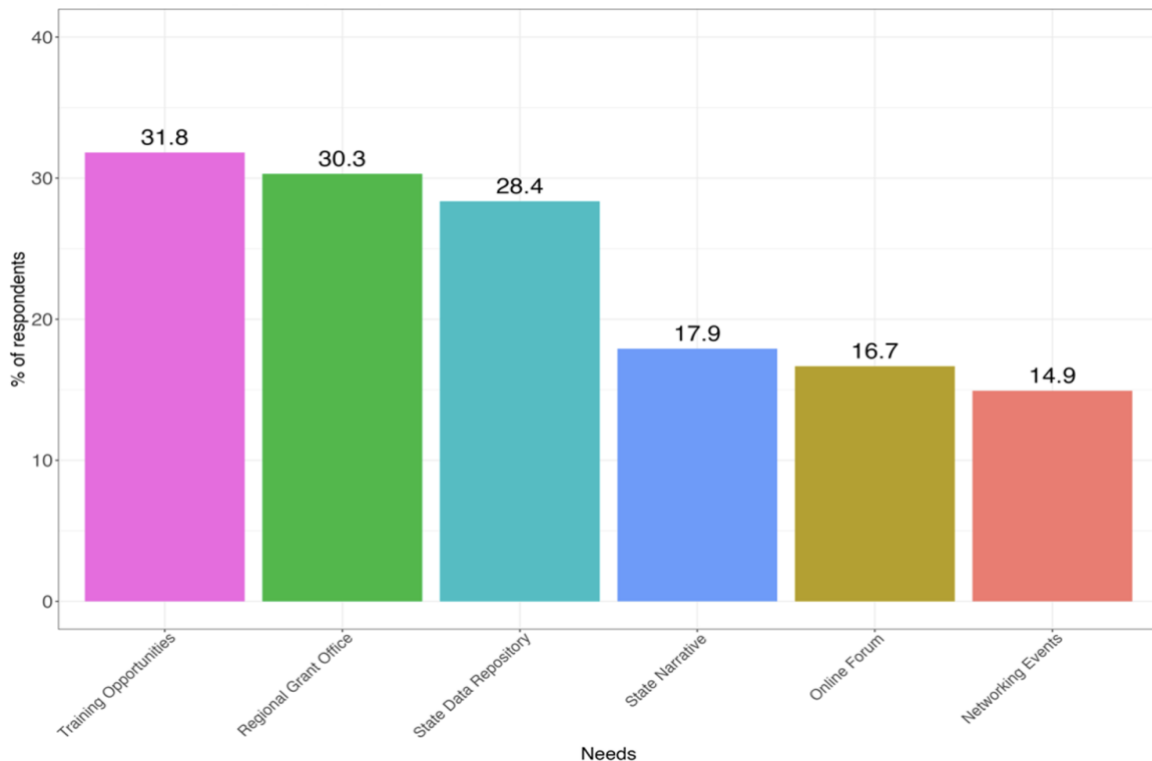
<sup>11</sup> 71% of post-summit survey responses indicated that they gained confidence through the summit (and another 25% said maybe).

<sup>12</sup> See for more information: <https://energycommunities.gov/>

Wyoming communities. In practice, regional directors from the Wyoming Business Council or staff from the OSLI are often a first (and sometimes, only) point of contact for communities in struggling to access state and federal grants. Serving this role is not a formal requirement of regional directors of the WBC or staff of the OSLI, but many find themselves informally providing this role rather than leaving communities without any support. Regional officers living in the communities find they can stay abreast to real-time challenges of potential grantees. This is especially important as federal opportunities shift in terms of requirements and funding sources available. Grant systems present in other states show the importance of tailoring support according to local needs and to federal requirements. A more empowered regional network would establish meaningful relationships with key stakeholders including grantees, state-level grant funders, and federal funding organizations, making sure interventions to alleviate bottlenecks in the grants process adjust to on-the-ground demands and federal requirements.

**Response options should also be informed by the direct requests of communities.** One question was included in the post-summit survey toward this end. Figure 10 shows the share of respondents who indicated listed needs as a top area for support (note that responses add to more than 100% because respondents were allowed to select more than one response as a top area). Keeping in mind that the respondents were already empowered enough to participate in the summit and that provided response options were not comprehensive, three of the listed options received the highest interest: more training opportunities, the creation of regional grant offices, and a state data repository.

**Figure 10:** Post-Summit Survey Responses on Top Areas Desired for Support



Source: P2P Post-Summit Survey

### ***A first-best response option***

**We recommend establishing a dedicated government unit within an existing state entity, with roughly six regional officers to strengthen the grants support network.** Such a support system would require an annual budget, primarily for staffing, but would deliver a very high return on investment. Based on this analysis, we have very high confidence that such an approach will lead to much greater federal grant resources flowing into the state (see Annex 2 for several scenarios) and much wider distribution of benefits of federal and state grant programs across the state — especially to smaller or struggling communities with high needs but limited capacity to navigate the grants system. This approach would allow for existing programs to better respond to fundamental needs across the state, especially in terms of infrastructure expansion and maintenance. This would allow for greater pathways to economic growth across Wyoming communities. Such a system could have several potential funding sources, including leveraging federal grants to complement state-level funding. Generating its own revenues through its activities is also possible, but it would be important for revenue generation to not become a priority that diverts attention from supporting community needs, including the most resource-poor communities. Based on the research summarized this note, a dedicated unit structured through regional officers could deliver several key actions and mobilize several key principles as follows to target the most important constraints.

#### **Key Actions and Principles:**

- Provide proactive services for need identification across all communities, including enabling more access to planning grants. Create a functional state database of priority projects at the community level in need of funding.
- Develop and maintain knowledge on federal and state grant programs and develop strong lines of communication with decision-makers within funding agencies. Understand which grants are most or least competitive for communities, including through the ex-ante community scoring criteria, to ensure local efforts are targeted. Inform federal staff when funding mistakenly (or purposefully) excludes Wyoming (such as coal community funds in practice targeted for Appalachia).
- Create continuous channels of contact for communities, including proactive discussions with municipalities that are currently disengaged from the grants system. Communities should have an easy option for a face to face sit down with a grant officer with strong connections to funders.
- Leverage the self-organized Wyoming Grant Services Coalition. Support the Coalition as a resource to bring disengaged communities into the fold and to enhance communities' abilities to learn from one another.
- Build grants capacity within the regional managers to provide maximum relief for small communities that lack the staff bandwidth to properly take advantage of existing tools and training offered by the Federal Government.



- Provide public inputs and tools for use by communities in grant applications and access to commonly needed data. Such public inputs should complement existing federal resources.
- Provide grant application review and revision services as well as support in process development and planning for project implementation and reporting.
- Adjust grant support initiatives as grant conditions adjust and new demands emerge across WY communities. An understanding of community needs (including from the Wyoming Grants Services Coalition) should directly influence support initiatives.

**A grants support system with a regional presence targets the Wyoming-specific constraints and will allow communities across the state to address their local needs via grant funding.** Too many local Wyoming leaders feel stuck. Their communities wish to tackle local challenges but face near impossible challenges in accessing grant funds available without more substantial support systems. Smaller communities across the state rightfully feel burdened by the federal grants system that asks an impossible task of them. Wyoming communities have begun to self-organize a stronger network and state-level funders have attempted to provide the active grant support required. A grants support system with a regional presence appears to be a missing piece of the puzzle. It would provide the needed support demanded across the state, leverage existing assets better and unburden individuals and organizations that are currently going above and beyond their responsibilities, and would allow more Wyoming communities to access the boom in federal grants.

**The proposed solution is detailed further in Annex 3 as “Option B”, along with an analysis of two other options.** Option A describes a common approach which relies on an external contractor for a set period. This approach is often necessary for building sophisticated digital systems and can leverage specialized external expertise, but reliance on external contractors also comes with significant limitations when it comes to the principal constraints that have been identified in this note. Without a strong and embedded network across communities, digital systems are often underutilized by communities (and often do not serve their needs) and there are great difficulties in that external expertise reaching all communities. Since external contractors are brought in for a limited period of time, any direct relationships with funders and handholding support in navigating grant opportunities that is introduced tends to fall apart when the contracts are over. Option C describes a “bridge” option between Option A and the first-best solution, in which a temporary and part-time network with a regional presence is incorporated. Among these options, the Growth Lab finds that Option B is the first best because it would fully enable the capabilities of a strong network within Wyoming and durably deliver benefits. The return on investment of funding this in-state unit could be exceptionally high (See Annex 2), and the annual costs would be of a similar order of magnitude to the costs of hiring external contractors.

**Annex 1: OSLI Funding by Place (Ranked by Per Capita, Population min. 600)**

	<b>Place</b>	<b>Total Funding (2017 - 2024)</b>	<b>Population (min 600)</b>	<b>Total Funding (Per Capita, 2017 - 24)</b>
1	Torrington	\$ 8,845,907	6,119	\$ 1,446
2	Upton	\$ 1,270,295	898	\$ 1,415
3	Greybull	\$ 2,254,899	1,651	\$ 1,366
4	Cowley	\$ 1,039,260	762	\$ 1,364
5	Basin	\$ 1,720,884	1,288	\$ 1,336
6	Lovell	\$ 2,938,467	2,243	\$ 1,310
7	Dubois	\$ 1,163,796	911	\$ 1,277
8	Worland	\$ 5,846,628	4,773	\$ 1,225
9	Hanna	\$ 824,985	683	\$ 1,208
10	Newcastle	\$ 4,042,672	3,374	\$ 1,198
11	Moorcroft	\$ 1,095,622	946	\$ 1,158
12	Mountain View	\$ 1,471,389	1,278	\$ 1,151
13	Laramie	\$ 35,262,267	31,407	\$ 1,123
14	Lyman	\$ 2,390,979	2,135	\$ 1,120
15	Sundance	\$ 1,145,056	1,032	\$ 1,110
16	Dayton	\$ 890,868	822	\$ 1,084
17	Riverton	\$ 11,508,635	10,682	\$ 1,077
18	Lander	\$ 8,058,060	7,546	\$ 1,068
19	Evanston	\$ 12,248,363	11,747	\$ 1,043
20	Lusk	\$ 1,567,238	1,541	\$ 1,017
21	Ranchester	\$ 1,079,337	1,064	\$ 1,014
22	Thermopolis	\$ 2,685,559	2,725	\$ 986
23	Kemmerer	\$ 2,165,885	2,415	\$ 897
24	Pine Bluffs	\$ 1,029,602	1,172	\$ 878
25	Guernsey	\$ 985,140	1,130	\$ 872
26	Marbleton	\$ 721,106	861	\$ 838
27	Sheridan	\$ 15,376,804	18,737	\$ 821
28	Alpine	\$ 998,080	1,220	\$ 818
29	Afton	\$ 1,635,473	2,172	\$ 753
30	Star Valley	\$ 1,374,720	1,866	\$ 737
31	Saratoga	\$ 1,214,962	1,702	\$ 714
32	Wheatland	\$ 2,487,350	3,588	\$ 693
33	Bar Nunn	\$ 2,064,068	2,981	\$ 692
34	Rawlins	\$ 5,652,036	8,221	\$ 688
35	Powell	\$ 4,348,357	6,419	\$ 677

36	Buffalo	\$ 2,977,987	4,415	\$ 675
37	Evansville	\$ 1,823,502	2,746	\$ 664
38	Mills	\$ 2,660,537	4,034	\$ 660
39	Wright	\$ 1,041,917	1,644	\$ 634
40	Casper	\$ 34,879,830	59,038	\$ 591
41	Cheyenne	\$ 37,739,990	65,132	\$ 579
42	Green River	\$ 6,827,970	11,825	\$ 577
43	Cody	\$ 5,738,684	10,028	\$ 572
44	Rock Springs	\$ 11,881,292	23,526	\$ 505
45	Glenrock	\$ 1,174,863	2,420	\$ 485
46	Pinedale	\$ 946,790	2,005	\$ 472
47	Gillette	\$ 12,111,987	33,403	\$ 363
48	Douglas	\$ 2,173,026	6,386	\$ 340
49	Jackson	\$ 2,431,016	10,760	\$ 226

Source: <https://lands.wyo.gov/grants-loans>

## Annex 2: ROI Estimations

To get a sense of potential return on investment from leveraging more federal funding, this table shows what the return on investment would be if the system enabled Wyoming to move from its current level of grants through the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) *alone*. Wyoming has been awarded 66 IIJA/IRA discretionary grants as of September 2023 over the three years (or 22 projects per year on average). Excluding the large grant related to the nuclear demonstration project in Kemmerer, the mean size of each grant won is \$1.2 million. If grant awards were to increase by 20%, 40% or 60%, this would amount to inflows of \$5.3M, \$10.6M, and \$15.8M, respectively. If the cost of the system is \$1 million, then the return on investment would be 430%, 960%, or 1,480% respectively. Or, alternatively, as long as the system were to mobilize one additional average sized grant, this would represent an inflow into the state roughly equivalent to the cost of the regional officer system. For context, comparator states with active grant support systems win grants at a much higher rate than used in this table — Colorado (272% more grants), Alaska (462%), and Montana (209%). Thus, even a 60% increase in grants mobilized is a very conservative estimate of what could happen within a few years of the system.

Increase in IIJA & IRA Grants (%)	Increase in Annual Grants (#)	Average Grant Size	Increase in Annual Grant Inflows	ROI
20%	4.4	\$1.2M	\$5.3M	430%
40%	8.8	\$1.2M	\$10.6M	960%
60%	13.2	\$1.2M	\$15.8M	1,480%

## **Annex 3: Three Grant Support System Options in Detail**

### **Option A: External Contractor Focused**

#### **Description and Purpose:**

The Government of Wyoming is currently in the process of awarding a 1-year contract to an external contractor to help respond to key challenges that communities across Wyoming are facing in leveraging federal grants. The contractor's deliverables are expected to focus on three areas: (1) providing an information system to help communities track grants through the implementation phase; (2) providing grant writing and administration assistance; and (3) providing training events and resources for communities. Additionally, the current approach benefits from a newly established Wyoming Grants Services Coalition, which is a volunteer-based organization that emerged out of the 2023 Wyoming Federal Grants Summit. This coalition will work to facilitate information sharing across communities and will include such services as grant application reviews and peer-to-peer advice. As a volunteer-based group, this coalition does not have a financial cost to the state budget. Finally, the Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization provides collaboration between federal and state agencies and access for economic development organizations across the State to share information, network individuals with opportunities, and attempt to find solutions to challenges.

### **Option B: Regional Support System**

#### **Description and Purpose of System:**

A dedicated government unit is proposed to respond to the problem that communities across Wyoming are dependent on grants but are unable to effectively leverage broad grant opportunities that are available to address community needs. The problem persists despite an increase in federal funding opportunities as well as existing state grant resources. This unit would support communities across the state to better identify and address their priority needs via grants grant funding. It would remain active so long as grants continue to be a principal lever for communities to increase local welfare.

#### **Key Constraints the Support System Must Overcome:**

Wyoming has faced an overall weakness across the state to transition from the pre-2021 norm of applying to federal funds via intermediary state agencies to the current system which is based more on local applications to discretionary federal grant programs. Over

the longer term, many Wyoming communities have also struggled to access available state-level funding resources to address project-related funding gaps.

Specific principal constraints have been identified as:

- Inability of many localities to diagnose and coalesce around priority community needs that could be addressed with grant funding (state or federal) and to, in turn, develop medium-term “grant ready” project plans.
- Widespread challenge of navigating frequently changing grant opportunities (state and especially federal) in order to identify competitive grants opportunities and effectively connect targeted funding sources to local needs.
- Lack of direct relationships and strong channels of communication between local communities and grant-making organizations (state and federal).
- Dependence on “local heroes” to push forward grants. Success from individual perseverance is infrequent across communities and typically target state sources, rather than federal. Local heroes are unrealistic to develop across the state, as the plethora of training and support services do not change the fact that smaller communities do not have the staff bandwidth to develop higher grants capacity.

### **What Would Success Look Like?**

A successful system would mobilize significantly more discretionary grant funding from federal sources (worth several times the cost of the support system) and allow for a more complete distribution of state and federal resources to smaller communities. The result would be a better targeting of grants to fundamental needs across the state and, likely, more investments in regional economic infrastructure serving multiple communities’ needs.

### **Proposed Structure of System and Cost Drivers:**

This unit could include 6 regional officers (same or similar to regions used by Wyoming Business Council) as an initial design. The unit could also have 1 staff member focused on statewide planning and resource development. In order to mobilize quickly and maximize functional agility, the unit could fall under an existing state organization such as the State Budget Office. Aside from a small budget for its activities, costs would be driven by the cost of staffing and related costs of travel, office space, etc. A full cost estimate is yet to be developed, but annual costs would be expected to be similar to the one-year cost of Option A. There are several potential options for funding such a system in addition to state budget funding, including leveraging federal grants themselves and developing a fee structure that could be tied to the success of grant applications.

## **Key Actions and Principles:**

- Provide proactive services for need identification across all communities, including enabling more access to planning grants. Create a functional state database of priority projects at the community level in need of funding.
- Develop and maintain knowledge on federal and state grant programs and develop strong lines of communication with decision-makers within funding agencies. Understand which grants are most or least competitive for communities, so local efforts are targeted. Inform federal staff when funding mistakenly (or purposefully) excludes Wyoming (such as coal community funds in practice targeted for Appalachia).
- Create continuous channels of contact for communities, including proactive discussions with municipalities that are currently disengaged from the grants system. Communities should have an easy option for a face to face sit down with a grant officer with strong connections to funders.
- Leverage the self-organized Wyoming Grant Services Coalition. Support the Coalition as a resource to bring disengaged communities into the fold and to enhance communities' abilities to learn from one another.
- Build grants capacity within the regional managers to provide maximum relief for small communities that lack the staff bandwidth to properly take advantage of existing tools and training offered by the Federal Government.
- Provide public inputs and tools for use by communities in grant applications and access to commonly needed data. Such public inputs should complement existing federal resources.
- Provide grant application review and revision services as well as support in process development and planning for project implementation and reporting.
- Adjust grant support initiatives as grant conditions adjust and new demands emerge across WY communities. An understanding of community needs (including from the Wyoming Grants Services Coalition) should directly influence support initiatives.

**Possible Targets for End of Year 1 (from first approval):** Fully staffed unit and independently operating with contact with all or nearly all 99 Wyoming communities, 23 counties, and other priority grant applicants (school districts, local/regional economic development organizations, etc.). Established relationships with all priority federal funding agencies and state grant authorities. Plan of action for priority interventions in all regions and at state level. Established or piloting approaches for maximizing interactions across the network of Wyoming communities. *Unit itself will add to and refine these targets.*

**Possible Targets for End of Year 2:** Increase of federal discretionary grant applications by 33% and winning of federal grants by at least 20% (in quantity and value); increase applications of smaller Wyoming communities to state and federal grants; achieve high “customer satisfaction” from communities. *Unit itself will add to and refine these targets and seek formal external review.*

**When to End the Full-Scale System?** The unit could be given two-year approval cycles by the supervising office, where strategic goals and targets would be updated each cycle. If there is determined to no longer be a continuing need, the system could be scaled down or ended over a final implementation period. A two-year approval cycle would be helpful in adjusting to changes in federal policy, which tend to have considerable lead time between policy change and when changes go into effect.

### **Option C: Partial Support System / 1-Year “Bridge” Option**

#### **Description and Purpose of System:**

This option is designed as a “blend” between Option A and Option B that would aim to increase the ability for the 1-year contractor to connect with the needs of communities and would also allow for greater “learning by doing” with which to inform options for subsequent years. This system would establish part-time regional officers who are paid a stipend to provide capacity to local communities and act as an extension of the state-contracted external contractor. This role would last for 1-year as a pilot phase and could be linked directly to the Wyoming Grants Services Coalition (i.e., allowing several positions to be paid rather than volunteer-based). The part-time regional officer system would not have the same bandwidth to tackle the principal constraints as comprehensively as Option B but would support several immediate needs of Wyoming communities.

#### **What Would Success Look Like?**

A successful system of this type would increase the ability of the external contractor to interact effectively with communities, leading to an information system that better matches the needs of communities. Smaller disconnected communities would be able to benefit from the capacity of the grant officers in the absence of local capacity and take initial steps towards leveraging state and federal funds. After a year of operations, the system would allow for a clear assessment of what has been gained and what issues could be addressed through additional external consulting support. The pilot phase would also reveal what ongoing issues a regional support system could address (and which issues it cannot), among those actions described under Option B.



### **Proposed Structure of System and Cost Drivers:**

Under this approach, the contract with the external contractor would remain the same as in Option A, but there would be an enhanced regional support system. Like Option B, these part-time regional officers could fall under an existing organization (State Budget Office, the Wyoming Office of State Lands and Investment, the Office of the Governor, Wyoming Business Council, etc.), and payments could take the form of a stipend rather than a salary. Under this option, there would be no additional budget for activities by the support system outside of that provided to the external contractor for developing statewide tools.

**Key Actions and Principles:** Actions listed here are a subset of those under Option B, recognizing the more limited bandwidth and duration of the support system.

- Develop and maintain knowledge on federal and state grant programs and develop strong lines of communication with decision-makers within funding agencies.
- Leverage and expand the existing network of knowhow across communities through active online groups, events, training opportunities, newsletters, etc. Where possible, enhance communities' abilities to learn from one another.
- Serve as a conduit for effective communication between communities and funders.
- Provide grant application review services.
- Prioritize actions and events demanded by multiple communities and showcase examples of success in grant implementation from across Wyoming and beyond.

**Possible Targets for 1-Year Program:** Though potentially hard to quantify, targets for this option would be based on increasing the effectiveness of the 1-year external contractor's efforts by increasing the reach and fit of statewide tools and training. Additionally, the part-time regional network would be responsible for documenting its activities and providing a brief review of which activities were found to be most helpful to communities (based on their own judgment and feedback from communities) — in other words, what worked and what did not. The part-time officers could also be assigned responsibility for outlining a set of options (like this document) for further support approaches to be used during the subsequent years.