STATE OF ALABAMA

APPALACHIAN DEVELOPMENT PLAN
2011 - 2015

Robert Bentley
Governor

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I. Introduction

The Appalachian Regional Commission (ARC) was established by Congress to promote economic growth and improve the quality of life in the thirteen Appalachian states. It is a unique partnership of federal, state, and local governments. Within the partnership, the Governor represents the State of Alabama. The responsibility for administration of the ARC program within Appalachian Alabama lies with the Alabama Department of Economic and Community Affairs (ADECA). The Director of ADECA serves as the Governor's Alternate Representative to the Commission.

There are thirty-seven counties located in Appalachian Alabama. These are: Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, DeKalb, Elmore, Etowah, Fayette, Franklin, Hale, Jackson, Jefferson, Lamar, Lauderdale, Lawrence, Limestone, Macon, Madison, Marion, Marshall, Morgan, Pickens, Randolph, St. Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston. Local governments are represented by multi-county development agencies called Local Development Districts (LDDs). The thirty-seven counties of Appalachian Alabama are served by eight LDDs.). These counties are listed on the Alabama Department of Economic and Community Affairs (ADECA) web site: www.adeca.alabama.gov as well as the ARC web site at www.arc.gov/counties.

ARC's primary objective is to help "distressed" counties generate sufficient economic development to stabilize their respective economies. The ARC uses an index-based economic classification system for Appalachian counties. The index compares the economic vitality of the region's counties with all counties across the United States. ARC has traditionally used three economic indicators—unemployment, the poverty rate and per capita market income—as criteria for its designations of the economic classification of its counties. Economic status designations have been based on a set of thresholds for national averages of each indicator that are evaluated independently for each county. In recent years, the Commission has developed an alternative classification method using these same indicators in an index-based system that allows a comparison of the region's counties to the rest of the nation and establishes the different county designations by means of this comparison. This method of designation provides a composite measure of economic vitality for each ARC county, while allowing a comparison of the region's vitality to that of the nation. The economic classification or designation of counties is made on an annual basis at the national level.

The following economic indicators are used annually to designate the economic classification status of Appalachian counties: per capita market income, the poverty rate, and the three-year unemployment rate. The index-based approach to the economic classification of ARC counties provides that ARC Distressed counties shall be those in the lowest 10% of all counties in the nation. Appalachian counties whose composite index value ranks above the lowest 10%, but not greater than the lowest 25%, of all the counties in the nation shall be designated At-risk counties. Appalachian counties whose composite index value ranks in the highest 25%, but less than the highest 10% of all counties in the nation shall be designated Competitive counties. Appalachian counties that have a composite index value in the highest 10% of all the counties in the nation shall be designated Attainment counties. All other ARC counties are designated Transitional counties.

Each year, the thirteen member-states of the Appalachian Regional Commission (ARC) publish strategy statements outlining their plans for the use of ARC funds in the designated ARC service areas of their respective states. Programs and activities benefiting the residents of those areas are eligible to receive consideration for funding from the funds designated by Congress for that purpose. Thirty-seven counties in northern Alabama are included in the service area of the Appalachian Regional Commission (ARC). These counties are listed on the Alabama Department of Economic and Community Affairs (ADECA) web site: www.adeca.alabama.gov as well as the ARC web site at www.arc.gov/counties. The strategy statement is submitted annually to the Commission and outlines the State's commitment for the use of ARC funds. It is written with the assistance of the eight Local Development Districts serving Appalachian Alabama: West

Alabama Regional Commission, Regional Planning Commission of Greater Birmingham, Top of Alabama Regional Council of Governments, Northwest Alabama Council of Local Governments, North Central Alabama Regional Council of Governments, South Central Alabama Development Commission, Central Alabama Regional Planning Commission, and East Alabama Regional Planning and Development Commission and David Hughes of the Appalachian Regional Commission staff in Washington, DC.

The Appalachian Regional Commission adopted a strategic plan which would guide its investments in the years ahead. The plan provides a foundation for development in four major goal areas. ARC's mission is to be a strategic partner and advocate for sustainable community and economic development in Appalachia. The goals are:

ARC Goal One:	Increase job opportunities and per capita income in Appalachia to reach parity with the nation.
ARC Goal Two:	Strengthen the capacity of the people of Appalachia to compete in the global economy.
ARC Goal Three:	Develop and improve Appalachia's infrastructure to make the Region economically competitive.
ARC Goal Four:	Build the Appalachian Development Highway System to reduce Appalachia's isolation.

The Appalachian Regional Development Act of 1965 requires each state to submit an Appalachian Development Plan describing the Governor's goals and objectives for the Appalachian region for his or her state. This plan is designed to set forth the development priorities for the 2011 through 2015 term of Governor Robert Bentley. The policies for Appalachian Alabama are generated by the needs of the people in the region.

ADECA works closely with the eight Local Development Districts (LDDs) in Appalachian Alabama in the development of eligible projects and the preparation of applications that are consistent with the ARC Code and guidelines. Each LDD operates under a Board of Directors composed of representatives from the various local governments. Each LDD helps ARC target and meet the needs of local communities and build community unity and leadership. The LDDs are an active and essential part of the ARC partnership. Citizen participation is achieved through public hearings held by the LDDs. In addition, an Appalachian Regional Commission Workshop is held annually and allows for public participation.

We envision an Appalachian Alabama in which:

- Growth will be in all business sectors, allowing both new and existing businesses to prosper.
- Growth and assistance for small businesses, especially small business startups.
- Citizens can achieve economic independence by working in jobs that pay livable wages, are safe, and that provide opportunities for advancement.
- Appalachian communities will have a higher quality of life, access to excellent public schools and lifelong educational opportunities, quality health care, and a clean environment.

- There is full integration into the global economy through effective and extensive cultural and educational exchanges, business transactions and networks, transportation infrastructure, and telecommunications systems.

- The development of strong local leaders and an active citizenry will chart their own future and implement sustainable, local strategies for economic development.

There are many issues facing Appalachian Alabama, including dramatic structural shifts in the various economic sectors, the need for a highly-skilled workforce, the increasing importance of entrepreneurship, the need to increase markets through exports; the strong influence of information technology, health care issues related to obesity and diabetes, and the need for environmental protection as well as long-term issues, such as the consequences of inadequate education, poverty, and the demand for improved transportation networks and other public infrastructure. Public and private sectors will join with the citizens of Appalachia to:

- Ensure that all students receive a strong, basic education regardless of where they live.

- Provide resources to low income workers to remove barriers to work and economic stability.

- Establish a jobs strategy to grow and capture high wage jobs and high quality businesses.

- Provide infrastructure for economic growth.

- Provide access to safe drinking water.

- Equip a highly-skilled workforce with cutting-edge technology to link our communities with the global economy.

- Protect the natural resource base to ensure long-term, shared prosperity.

- Provide access to health care, especially in medically underserved areas.

II. Appalachian Development Highway System

The completion of the Appalachian Development Highway System (ADHS) will offer an important contribution to economic growth in Appalachian Alabama. ADHS Corridors X and V will provide major new connections to Memphis, Tennessee in the west and Atlanta, Georgia to the east. Corridor X runs between Birmingham and Itawamba County, Mississippi and will provide an important alternative to U.S. 78, currently the only major east-west highway corridor in the area. U.S. 78 is presently a two-lane highway that travels through the heart of a number of small communities and is subject to heavy auto and truck traffic levels. Corridor X, being constructed to Interstate standards, will have a minimum of four lanes and feature full access control. Corridor V in Alabama links the Mississippi State Line to the Tennessee State Line and is now nearly complete with approximately 135 miles open to traffic. Corridor V having been constructed in stages still requires more work - primarily the addition of travel lanes.

While the ADHS provides important highway access, improving connections between the highway network and important rail lines, inland waterways, and airports will assure the global reach necessary for area businesses to compete and succeed in the global economy of the 21st century. Building on the success of the International Intermodal Center at Huntsville International Airport and capitalizing on the new containerized shipping capabilities at the Port of Mobile, improved coordination and integration of highway, rail, inland navigation, and aviation services will provide Appalachian Alabama with a powerful new link to the global supply chain, improving the competitiveness of existing businesses and attracting important new enterprise into the region. Consideration should be given to extending ARC Corridors V and X to create a link between the high tech center at Auburn and the one at Huntsville following the corridors formed by Highways 280 and 231 which will draw Huntsville's development deeper into Alabama.

In summary Corridor X (future Interstate 22), enters Walker County from Jefferson County in the vicinity of Burnwell, Alabama, and enters Marion County in the vicinity of Marion County Road 30. Corridor X enters the State of Mississippi in the vicinity of Bexar, Alabama. When completely open to traffic, Corridor X will seamlessly connect the above three counties reducing isolation in Appalachian Alabama. Corridor V, in its entirety, is open to traffic. Corridor V begins in Alabama in the vicinity of Long Island, Alabama in Jackson County as U.S. Highway 72. U. S. Highway 72 is a four lane, non-limited access that enters Madison County in the vicinity of Paint Rock, Alabama. U.S. 72 becomes limited access I-565 at Huntsville, Alabama in Madison County. I-565 enters Limestone County in the vicinity of Huntsville International Airport and becomes Alternate U.S. Highway 72. Alternate 72 enters Morgan County in the vicinity of Decatur, Alabama. In Decatur, Alternate 72 becomes Alabama State Road 24, which is a four-lane, non-limited access. Alabama 24 enters Limestone County in the vicinity of Five Points, Alabama and Franklin County in the vicinity of Newburg, Alabama, passes through Russellville, Alabama, and reaches the Mississippi state line in the vicinity of Red Bay, Alabama. (Source: Strip Maps provided by Design Bureau, ALDOT, Mr. David Welch, PE, Montgomery, AL).

III. Economic Conditions

For both rural and metropolitan areas, the effectiveness and sustainability of the traditional approach to economic development has begun to decline. Most communities (especially the rural communities) are missing opportunities, which could be utilized to help increase job creation. Economic development agencies should be encouraged to expand their focus and include the development of an environment which would foster growth from within the community, rural or urban, and be an integral and complementary part of the economic development process. Efforts will be made to develop an economic system, which will bring together a cohesive multifaceted system of orientation, training, and assistance, using today's information technology services to deliver enhanced program content. Objectives of the concept are to: lessen traditional economic development dependency on recruiting and importing jobs and industry from outside the community; diversify local/rural economies; promote economic development through small business creation, incubation, and assistance; attract and train innovative entrepreneurs; better use existing resources; and assist existing small and medium size businesses in growing their firms. A quality economic foundation for all regions of the state must exist in terms of physical and information infrastructure, transportation, and human resources.

One of the primary factors that determine the potential rate of growth within a county or region is access to basic infrastructure, such as public water, sewer, transportation, and information technology infrastructure. While public and private water systems usually provide service beyond municipal and sometimes county boundaries, sewer service is mostly confined to the larger cities and the surrounding areas. Those areas which lack access to basic infrastructure experience the lowest overall growth and the lowest general standard of living (Alabama Rural Development Strategy, 1998).

Another factor that affects growth and development is employment. Historically most employment has been in the manufacturing and government sectors; however, there is a trend towards transitioning into more diversified economies. Most rural counties still have a higher percentage of manufacturing and government jobs and fewer service, professional, and retail jobs than urban areas. Rural communities often lack the income levels and customer bases that are essential to support large retail and service sector businesses. As the number and percentage of manufacturing jobs in rural areas decline, workers will need to develop new job skills, commute greater distances to job opportunities in the larger cities, or accept lower paying local service and retail jobs. Since adults in rural areas are less likely to have graduated from high school, intensive educational training programs will be needed to teach the necessary skills to adapt to new or first time job opportunities.

Low income and poor access to health care facilities and services continue to be a defining characteristic of rural Appalachian Alabama. Although many of the rural Appalachian counties have made strong gains in median family incomes in recent years, most of the increases may be attributed to an influx of suburban residents who commute to larger urban centers, rather than any real increase in local wages.

Alabama's Appalachian Region (AR) includes 37 counties in the northern half of the state, with a mix of urban and rural areas. The region covers the Anniston-Oxford, Birmingham-Hoover, Decatur, Florence-Muscle Shoals, Gadsden, and Huntsville MSAs as well as parts of the Montgomery and Tuscaloosa metros.

The Appalachian Region's civilian labor force averaged 1,408,556 workers in 2010, down 2.1 percent from 2009. Employment fell at a slower rate as the recession weakened, declining 1.8 percent to 1,278,546. The unemployment rate improved from 9.5 percent in 2009 to 9.2 percent for 2010. A recent survey found that around 24.0 percent of working Appalachian Region residents were underemployed in 2010. These workers—in jobs that underutilize their experience, training, and skills—are more likely to respond to new opportunities. Applying the underemployment rate to 2010 labor force data indicates that an estimated 306,371 workers were underemployed across the 37-county area. The underemployed, together with 130,010 unemployed residents, constituted an available labor pool of 436,381 persons.

The region's economy is service oriented; service providing industries accounted for 75.9 percent of all jobs in the first three quarters of 2010, while goods producing industries contributed 19.8 percent. Average wage per job was $40,125 in 2009, 103.7 percent of the state average. Wages rose at close to the state's 35.8 percent increase between 2000 and 2009.

As a whole, the economy of Alabama's Appalachian Region showed moderate growth between 2001 and 2009, with current dollar earnings up 31.4 percent to $71.98 billion. Total employment rose 5.4 percent over the same period, as the area added 82,650 full- and part-time jobs. Proprietors employment increased to 344,896 in 2009; the addition of 95,591 self-employed sole proprietors and partners since 2001 is a 38.3 percent gain. Proprietors accounted for 21.4 percent of all jobs in 2009. Wage and salary employment across the 37 counties decreased by 22,628 (1.9 percent) to 1,150,829 from 2001 to 2009. The number of jobs declined by 22,657 from 2009 to 2010, a loss of 2.0 percent.

Service businesses accounted for 47.7 percent of Appalachian Region jobs in 2010, up from 40.9 percent in 2001. Among service industries, healthcare and social assistance saw the largest increase, adding 21,966 jobs for a 16.9 percent gain. Employment in management of companies and enterprises doubled during the period, with 6,602 new jobs. On the goods producing side, manufacturing's share of the region's nonfarm employment shrank from 19.2 percent in 2001 to 14.3 percent in 2010, with the loss of 63,635 jobs (-28.2 percent). Construction shed 13,857 jobs during this interval, a drop of 21.4 percent. Employment of 194,489 in wholesale and retail trade in 2010 amounted to 17.2 percent of the area's wage and salary total; trade employment fell 6.3 percent since 2001. Public administration added 3,050 jobs between 2001 and 2010, while employment in financial services decreased by 5,494. Business sales across the Appalachian Region totaled $194.5 billion in 2010.

The population of the Appalachian Region counties rose 8.0 percent between 2000 and 2010, with 227,298 more residents. At 3,064,522, the area housed 64.1 percent of the state's population in 2010. The 2010 population was 72.7 percent white and 21.8 percent black.

Per capita income of $34,395 in 2009 was 102.9 percent of the Alabama average. The 2000 Census found 14.8 percent of the area's population living in poverty; 2009 estimates had poverty higher at 15.6 percent.

Housing units totaled 1,378,823 in 2010, of which 12.2 percent, or 168,738 units, were vacant. The number of occupied housing units rose by 94,495 (8.5 percent) between 2000 and 2010 to total 1,210,085.

Looking at educational attainment, 80.8 percent of the Appalachian Region's 25 and over population had at least a high school education in 2009, equal to the state. Among area residents aged 25 and over, 22.1 percent held a bachelor's or higher degree, above the 21.5 percent statewide average (Dr. Sam Addy, Center for Economic Development, the University of Alabama).

IV. Demographics

The 1990 to 2000 population increase in the nation was the largest in American history. The country experienced a population growth of 32.7 million people and represents the largest census-to-census increase ever. This population increase translates into a 13.2 percent change. The ARC region in the U.S. experienced only a 9.1 percent increase in population while the state of Alabama gained by 10.1 percent for the period. Alabama's ARC counties faired better at 10.3 percent growth during the decade of the 1990's. During the period 2000-2006 the ARC population in Alabama advanced by 3.7 percent; Alabama, only 3.4 percent; and the total for the U.S., 6.4 percent. Thirty-seven counties of north Alabama comprise the ARC region of the state and in 1990, accounted for 63.6 percent of the state's population and by 2000, advanced only slightly to 63.8 percent of the state's population. By 2006, the ARC region accounted for 64.0 percent of the state's population, as illustrated in Table A – 1.

~ Table A – 1 ~

Total Population
1990, 2000, 2006

Category	1990	2000	% Change	2006	% Change
Total ARC Counties, Alabama	2,570,049	2,837,224	10.3	2,943,949	3.7
ARC as Percent of Alabama	63.6	63.8		64.0	
Total ARC Population, U.S.	20,982,200	22,894,017	9.1	---	---
Total U.S. Population	248,709,873	281,421,906	13.2	299,398,484	6.4

Source: U.S. Bureau of the Census, *American Community Survey*, 2006.

Females outnumber males in the ARC counties of Alabama, 50.9 percent in 2005, while males made up the balance, 49.1 percent. Male population faired less in the state as a whole, 48.5 percent in 2005. Male to female ratio in the ARC counties practically mirrored the national ratio, only two-tenths difference as Table A – 2 shows.

~ Table A – 2 ~

Males to Females
2005

Category	Male	Female
ARC Counties, Alabama	49.1	50.9
Alabama	48.5	51.5
United States	49.3	50.7

Source: U.S. Bureau of the Census, *American Community Survey*, 2005.

In terms of population density, the country, state, and ARC region of the state are filling up as shown in Table A – 3 (p. 2). The number of people per square mile has shifted upward in the ARC region of Alabama from 99.5 people per square mile in 1990, to 109.9 people per square mile in 2000. The numbers were higher for the ARC region of the U.S. at 104.5 people per square mile in 1990, and 114.1 in 2000. The ARC region of Alabama is more densely populated than the state or nation as a whole.

~ Table A – 3 ~

Population Density		
Category	**1990**	**2000**
ARC Region, Alabama	99.5	109.9
ARC Region, U.S.	104.5	114.1
Alabama	79.6	87.6
United States	70.3	79.6

Source: U.S. Bureau of the Census, 1990-2000.

Racial mix of the ARC counties of Alabama in 2005 favored whites at 77.8 percent of the population compared to 18.1 percent black, and 2.4 percent Hispanic. Blacks made up 26.4 percent of the state's population in 2005, and 12.8 percent of the U.S., according to the U.S. Bureau of the Census' *American Community Survey*. Hispanic population is growing and warrants closer scrutiny. Fifteen percent of the people in the United States were Hispanic in 2005, compared to 67.9 percent white, non-Hispanic. In the ARC counties of Alabama Hispanics accounted for 1.8 percent of the population in 2000, or 51,070; and five years hence (2005), 70,754 – a significant number which impacts every facet of our society. People of Hispanic origin may be of any race, according to the census definition.

A rural to urban shift in population occurred in the thirty-seven county ARC region of Alabama during the decade of the nineties. While the region was predominantly rural in 1990 at 62.7 percent, a one-tenth of one-percent decline occurred and by 2000 the rural population had shifted to 62.6 percent. Table A – 4 illustrates this shift in population in the region. The shift to an urban population is more pronounced for the state of Alabama and the United States.

~ Table A – 4 ~

Rural – Urban Population				
Category	**Rural**		**Urban**	
	1990	**2000**	**1990**	**2000**
ARC Region, Alabama	62.7	62.6	37.3	37.4
Alabama	44.4	39.6	55.6	60.4
United States	24.7	20.9	75.3	79.1

Source: U.S. Bureau of the Census, 1990-2000.

Age distribution of the Alabama thirty-seven county ARC region parallels that for the country as a whole. Twenty-nine percent of the Alabama ARC region people were under 18 years of age in 2005 compared to 31.0 percent for the country. Fourteen percent were 65 years old and older in the Alabama ARC region compared to 12.0 percent for the country. Fifty-six percent of the region's population falls in the 19-64 year-olds as does the percent for the nation. It is within this age group the active workforce lies. In 2000, median age in ARC Alabama was 1.6 years older than that for the U.S.; 36.9 years old as opposed to 35.3

years old as the median for the U.S. The ARC region of Alabama is slightly older than for Alabama as a whole, and for the U.S.

Income

Economic vitality of an area is generally viewed through examination of income. A direct correlation exists between an area's income and demand for goods, services, and amenities. Income levels affect an area's revenue base and the ability of a jurisdiction to provide amenities and facilities to accommodate population and economic growth.

One measure of income used to determine vitality is family income. As Table B – 1 illustrates, median family income for the ARC region of Alabama showed stronger improvements during the decade of the nineties than for the sate or nation as a whole. Median family income shifted upward from $26,749 in 1990 to $39,105 in 2000, or 46.2 percent. Alabama as a class, shifted upward by only 45.2 percent, while the nation's median family income shifted upward by 42.1 percent. When examining the table, note that the median family income for the U.S. is still much higher at $50,046 in 2000, than for the state, $46,657, and for the ARC region of Alabama. Some room for catching up is still present in the ARC counties to bring them up to comparable national rates of income.

~ Table B – 1 ~

Median Income
1990, 2000, 2004

Category	Median Household Income					Median Family Income			Per Capita Income		
	1990	2000	% Ch.	2004	% Ch.	1990	2000	% Ch.	1990	2000	% Ch.
ARC Region of Alabama	$22,015	$32,516	47.7	$34,666	6.6	$26,749	$39,105	46.2	$10,458	$20,993	100.7
Alabama	$23,597	$34,135	44.6	$37,062	8.5	$28,688	$46,657	45.2	$11,486	$23,521	104.7
U.S.	$30,056	$41,994	39.7	$44,334	5.5	$35,225	$50,046	42.1	$14,420	$21,587	49.7

Source: U.S. Bureau of the Census, 1990-2000,
***American Community Survey 2004*.**

Another measure used to compare income is household income. A healthy increase in household income is shown for the ARC counties of Alabama during the 1990's. Median household income moved favorably from $22,015 in 1990, to $32,516 in 2000, or 47.7 percent, a tremendous improvement. This compares favorably with the state at 44.6 percent, and the U.S. at 39.7 percent. Again, note that household income is lower in the ARC counties than for the state or the U.S. in 2000. Household income is somewhat different from family income and is generally less because many households consist of only one income for that householder. Table B – 2 shows a 126.4 percent increase in household income in the ARC region of Alabama for the decennial census period of the 1990's in the $50,000 or more income class. This compares to a 128.3 percent increase for the same period for the state. A 12.8 percent decrease was calculated for the $10,000 - $24,999 class, and a 27.8 percent decrease for the $10,000 and under class in the ARC region of the state. Household income has improved during the 1990's in the ARC counties and Alabama.

~ Table B – 2 ~

Household Income, Percent Distribution, Percent Change
1990 - 2000

Category	ARC Region of Alabama					Alabama				
	1990	% Dist.	2000	% Dist.	% Ch.	1990	% Dist.	2000	% Dist.	% Ch.
Less than	$204,142	21.1	$148,366	13.3	-27.3	$337,899	22.4	$250,526	14.4	-25.8

$10,000										
$10,000-$24,999	$286,699	29.6	$250,005	22.4	-12.8	$449,304	29.8	$398,273	22.9	-11.4
$25,000-$49,999	$310,612	32.1	$339,642	30.4	9.3	$471,269	31.4	$523,344	30.2	11.1
$50,000 or more	$166,776	17.2	$377,652	33.9	126.4	$247,539	16.4	$565,242	32.5	128.3
Total	**$968,229**	**100.0**	**$1,115,665**	**100.0**	**15.2**	**$1,506,011**	**100.0**	**$1,737,385**	**100.0**	**15.4**

Source: U.S. Bureau of the Census, 1990-2000.

Also found in Table B – 1 is per capita income. Per capita income advanced 100.7 percent for the ARC counties from $10,458 in 1990, to $20,993 by the year 2000. Per capita income shifted upward by 104.7 percent for the state, and only 49.7 percent for the U.S. Per capita income for Alabama was somewhat higher in 2000 than for the U.S.; however, per capita income in the ARC counties of Alabama was still lower than for either Alabama or the United States.

In spite of tremendous increases shown in incomes for the ten-year period of the 90's for the ARC region of Alabama, the area is still experiencing levels of poverty higher than that for the U.S. Table B – 3 points to a decline in poverty for the ARC counties of Alabama; however, with a poverty rate of 14.4 percent in 2000, this is still above the 12.4 percent for the U.S. There is opportunity for improvements; to reduce poverty is a good endeavor. The poverty rate for the ARC counties of Alabama in 2000 was 115.9 percent of the U.S. average; Alabama was 130.1 percent of the U.S. average, which provides latitude to reduce poverty in those counties and in the state.

~ Table B – 3 ~

Poverty Rate of Persons Below Poverty Level

Category	1980	1990	2000	% of U.S. Average – 2000
ARC Counties, Alabama	16.9	16.1	14.4	115.9
Alabama	16.9	18.3	16.1	130.1
ARC Region	14.1	15.4	13.6	110.2
United States	12.4	13.1	12.4	100.0

Source: U.S. Bureau of the Census, 1980, 1990, and 2000.

Education

By 2015, our goal is to prepare all Alabama students for the challenges of a new global economy. The Alabama Reading Initiative (ARI) has been heralded as a premier reading program in the nation. That is because it uses small group settings and proven teaching techniques to help children learn to love reading. Even though ARI has not yet been fully implemented, it is already showing great results. Students in grades K-3 scored 14% better in reading than they did just two years ago. During the next four years, the ARI program will be expanded to our middle schools and high schools. In the upper grades, ARI will ensure that all students are successful in reading comprehension, with a particular focus on intervening with students who need it the most. Reading is the basis for all learning and it is imperative that we ensure that all of our students can read and comprehend what they are reading so they can take advantage of higher paying jobs.

Math and science are becoming increasingly important in today's global economy. In order to keep up with the rest of the world, we have no choice but to increase our focus on math and science. The Alabama Math, Science, and Technology Initiative (AMSTI) is a priority and offers a hands-on approach to learning. During the next four years, we will expand AMSTI to every school in the state. A skilled workforce with a strong background in math and science is a critical piece of our economic strategy, and we must build this foundation in our schools. Alabama's math/science high school is located in Mobile. A second math/science high school may be needed in North Alabama where most of the state's high tech firms are located.

Though there are many ways to indicate educational attainment, perhaps the easiest measure to consider is the percentage of adults who have completed high school. Appalachian Alabama dramatically improved its high school graduation rate between 1990 and 2000, but still lags slightly behind the rest of the region and the nation as a whole.

High Schools (9-12)

(It must be noted that data for this report was based upon that from FY 2005 and previous years. Newer data has not become readily available. Also, data included in this report may differ somewhat from other reports based upon collection and timing of the data release.)

There were 129 different school systems throughout the state of Alabama in FY 2005. Within the Appalachian Regional Commission's (ARC) thirty-seven counties, there were 80 school systems compared to the remainder of the state's counties which had 49 different systems. Within each system there are several schools for the various grade levels. While all grade levels are important, the focal point of this report is on the high school level (grades 9 – 12).

In reviewing data from the Alabama Department of Education, overall enrollment has grown since 1990, but not at a rapid pace. Much of the slower growth can be attributed to fluctuation within population age groups, especially in the high school age group. For example, the high school, and subsequent college age group took a downward swing in the middle of the decade of the 1990's. Thus enrollment fell. In the late 1990's it began climbing again slowly with some fluctuation continuing. The student enrollment in the state for all the systems is shown below in Table C – 1.

~ Table C – 1 ~

Total Number of 9-Month Enrollments for All K-12 School Systems in Alabama

Year	1990	2000	2005
Total	714,691	730,092	732,458

Source: Alabama Department of Education website, database, and annual reports.

While there has been fluctuation and slower growth in the overall student population, the number of high school graduates has been relatively stable. This stability can also be attributed to population age group fluctuations. Shown in Table C – 2 are the number of high school graduates for the ARC region and the remaining counties in the state.

~ Table C – 2 ~

Number of High School Graduates in Alabama

Area	1990	2000	2005
ARC Region Counties	25,719	25,990	26,082
Remainder of Counties	14,866	14,271	14,022
Total	**40,585**	**40,261**	**40,104**

Source: Alabama Department of Education website, database, and annual reports.

In Table C – 3 and Table C – 4 the number of high school graduates and the graduation rate for both the Appalachian Region counties and the remaining counties of the state are provided. Caution must be taken when comparing the graduation rates for FY 2005 to previous years as the Department of Education changed its formula of computing graduation rates. Thus, no graduation rates are included for previous years. Additionally, the rates shown are **MEAN** averages (adding all the individual school rates together and dividing that number by the number of schools) for all school systems within each county. It is difficult to compare the average for a county having only one or two school systems with others that have multiple school systems. Therefore, a county's mean average may be considerably higher or lower than some of the schools within that county's system(s).

~ Table C – 3 ~

Number of High School Graduates in Alabama ARC Counties and FY 2005 County Graduation Rates*

County	FY 1990	FY 2000	FY 2005	FY 2005 Graduation Rate (%)*
Bibb	199	180	181	85.20
Blount	473	396	501	79.28
Calhoun	1217	1001	970	81.69
Chambers	334	267	248	77.08
Cherokee	238	221	247	76.35
Chilton	344	310	408	74.72
Clay	152	170	92	80.00
Cleburne	129	145	145	78.03
Colbert	500	461	459	80.76
Coosa	105	96	88	75.47
Cullman	701	711	753	83.38
DeKalb	513	560	548	71.19
Elmore	441	633	526	77.09
Etowah	1038	939	816	73.14
Fayette	189	160	154	82.58
Franklin	322	256	303	85.09
Hale	168	174	182	71.68
Jackson	618	547	480	83.74
Jefferson	6151	6447	6386	86.82
Lamar	172	193	136	80.72
Lauderdale	874	842	817	82.37
Lawrence	379	324	396	89.53
Limestone	588	550	625	82.04
Macon	276	211	170	81.95
Madison	2205	2603	2631	85.59
Marion	380	316	286	80.08
Marshall	713	742	784	79.02
Morgan	981	1069	1048	79.66
Pickens	185	226	187	78.22
Randolph	183	213	197	77.82
St. Clair	451	516	679	72.57
Shelby	804	1082	1383	86.74
Talladega	816	723	656	72.53
Tallapoosa	585	372	462	75.99
Tuscaloosa	1242	1397	1281	76.53
Walker	709	668	599	81.69
Winston	344	269	258	77.75

Total	**25,719**	**25,990**	**26,082**	**79.57****

* Caution must be taken when interpreting the graduation rate percentages as they are, for the multi-school counties, a Mean average which does not truly represent some schools in a county which are either above or below the average shown.

** The Graduation Rate Percentage Total for all counties is a mean average of the county averages.

Source: Alabama Department of Education website, database, and annual reports.

~ Table C – 4 ~

Number of High School Graduates in Alabama Non-ARC Counties and FY 2005 County Graduation Rates*

County	FY 1990	FY 2000	FY 2005	FY 2005 Graduation Rate (%)*
Autauga	441	441	560	76.45
Baldwin	892	1064	1279	79.97
Barbour	277	229	202	76.85
Bullock	91	77	90	65.49
Butler	236	219	225	64.65
Choctaw	200	135	145	78.66
Clarke	343	225	296	86.16
Coffee	627	497	512	78.00
Conecuh	146	96	80	67.89
Covington	406	396	357	76.95
Crenshaw	166	148	143	79.52
Dale	453	463	435	83.23
Dallas	585	492	427	78.44
Escambia	404	368	432	76.97
Geneva	258	210	225	75.47
Greene	116	104	76	75.25
Henry	180	148	119	66.26
Houston	879	820	859	82.66
Lee	793	877	1068	83.16
Lowndes	173	129	108	70.63
Marengo	297	286	277	90.13
Mobile	3494	3542	3302	81.68
Monroe	290	290	287	81.76
Montgomery	1727	1666	1244	75.60
Perry	136	120	114	87.79
Pike	301	226	233	67.96
Russell	445	409	431	75.20
Sumter	151	181	137	92.14
Washington	206	249	210	92.83
Wilcox	153	164	149	89.22
Total	**14,866**	**14,271**	**14,022**	**78.56****

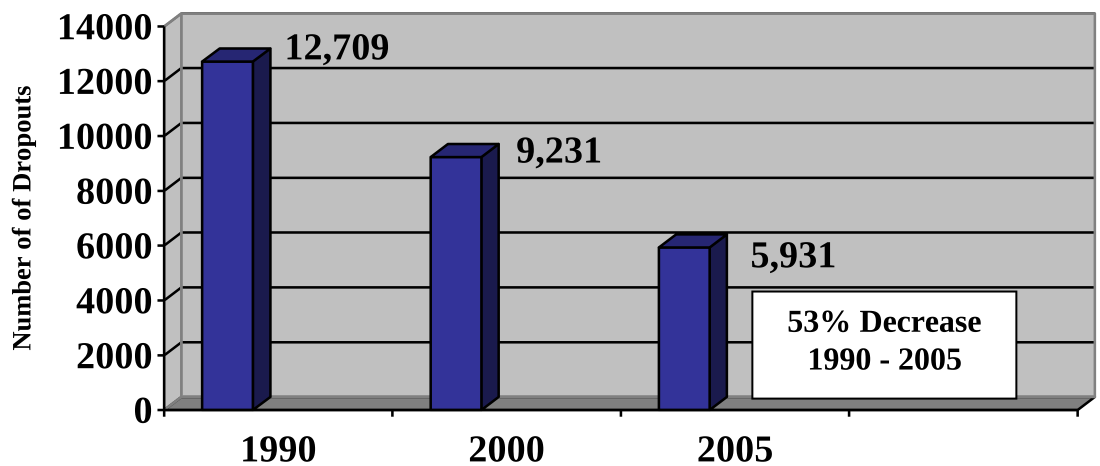
* Caution must be taken when interpreting the graduation rate percentages as they are, for the multi-school counties, a Mean average which does not truly represent some schools in a county which are either above or below the average shown.

** The Total Graduation Rate Percentage for all counties is a mean average of the county averages.

Source: Alabama Department of Education website, database, and annual reports.

A notable improvement in education over the years in Alabama high schools is the dropout rate. A dedicated effort by school officials has drastically reduced the number of high school dropouts since 1990. Based upon the numbers obtained, there was a fifty-three percent (53%) decrease in the number of dropouts between 1990 and 2005 as shown in Chart D – 1. Yet, caution must be urged as the dropout rate is still relatively high in a number of individual schools, especially in the rural areas and some inner-city schools.

~ Chart - A-1 ~
High School Dropouts (Grades 9-12) in Alabama



Source: Alabama Department of Education website, database, and annual reports.

Vocational – Technical Schools (Career Tech)

In the decades past, secondary schools have predominantly placed emphasis upon academics and preparation for post secondary education while providing a limited number of additional programs in the vocational fields, especially, basic trade work. The trend over the past two decades is for schools to offer a more diversified curriculum that is based upon the needs of the business community. These career and technical programs have been transformed and are forming partnerships with business and industry to align their curriculum to business and industry standards. Numerous technical, health-related, business, information technology, and other programs have been established to help prepare students for a career whether it includes post-secondary work or not.

According to the Department of Education *Quick Facts* publication, approximately 56% of students (almost 250,000) have taken one or more Career Tech courses. This is a vast improvement over past efforts and the emphasis seems to be involving more students as the curriculum is evolving to meet today's career challenges. School systems are now mandated to have their career tech programs become Business & Industry Certified which gets the business and education community involved in determining curriculum to meet future needs. In 2007, there are 70 career tech centers around the state with usually one in each county.

In talking with several technical school principals/directors, it appears that many of the new courses are attracting more students. Yet, the traditional "trade" coursework enrollment continues to suffer with insufficient numbers of students. This coursework includes carpentry, automotive repair, welding, electrical, and others. This being the case, it appears that there could be a shortage in these fields which will have a serious effect upon the community as time goes on and needs to be addressed with more emphasis by the education and business leadership.

Post-Secondary Education

Alabama is well blessed with post-secondary institutions scattered throughout the state. There are a total of 14 public four-year institutions, 25 public two-year institutions, and 14 private four-year institutions. In addition, many have one or more satellite campuses. Within the ARC region there are 9 public four-year institutions, 8 private four-year institutions, and 14 public two-year institutions.

The number of completions (graduates) in the three institution categories for FY 2005 is shown in Table D – 1, Table D – 2, and Table D – 3. It is divided into the various degree levels offered at each institution. Older data to compare the number of graduates for the various institutions was not available. Additionally, the data for the graduation rates from the institutions was not available as well.

It appears evident that students in Alabama have ample opportunity as far as proximity is concerned to seek a post-secondary education. As to the numbers taking this opportunity, it must be noted that proximity to an institution is only one factor. Other factors that come into the equation include individual income (level & sources), costs of attending, availability of time to attend, whether or not they work, and others. Of course, for potential students living in some of the rural counties it makes the decision more difficult as travel distance and time do come into play. State maps displaying institution locations can be viewed in the appendix.

Institutions located in the ARC region had sixty percent (60%) of the state's graduates in FY 2005. The total number of graduates in this region was 25,824. Of these, 14,823 graduated from public four-year institutions, 2,749 graduated from private four-year institutions, and 8,252 graduated from public two-year institutions. The total number of students graduated in the state for FY 2005 was 43,289.

~ Table D –1 ~

Alabama Public Four-Year Institutions
Completions – FY 2005
****Institution is in ARC Region***

Institution	Baccalaureate	Master's	Doctoral	First Professional	Total
Alabama A & M *	605	319	8	--	932
Alabama State	520	301	5	--	826
Athens State*	738	--	--	--	738
Auburn	3917	799	174	189	5079
Auburn – Montgomery	621	232	--	--	853
Jacksonville State*	1194	629	--	--	1823
Troy	1398	1344	--	--	2742
Alabama – Tuscaloosa*	2931	1390	154	183	4658
Alabama – Birmingham*	1633	1273	138	258	3302
Alabama – Huntsville*	815	387	39	--	1241
Montevallo*	461	186	--	--	647
North Alabama*	819	241	--	--	1060

South Alabama	1366	714	11	59	2150
West Alabama*	228	194	--	--	422
Total	**17,246**	**8,009**	**529**	**689**	**26,473**

Source: Alabama Commission on Higher Education Website and database.

~ Table D – 2 ~

Alabama Private Four-Year Institutions
Completions – FY 2005
****Institution in ARC Region***

Institution	Baccalaureate	Master's	Doctoral	First Professional	Total
Birmingham-Southern*	299	14	--	--	313
Concordia	47	--	--	--	47
Faulkner	582	69	--	33	684
Huntington	112	--	--	--	112
Judson	71	--	--	--	71
Miles*	183	--	--	--	183
Oakwood*	369	--	--	--	369
Samford*	593	181	25	320	1119
Southeastern Bible*	35	--	--	--	35
Spring Hill	212	58	--	--	270
Stillman*	170	--	--	--	170
Talladega*	68	--	--	--	68
Tuskegee*	397	41	1	53	492
Mobile	258	67	--	--	325
Total	**3,396**	**430**	**26**	**406**	**4,258**

Source: Alabama Commission on Higher Education website and database.

~ Table D – 3 ~

Alabama Public Two-Year Institutions
Completions – FY 2005
****Institution in ARC Region***

Institution – Community College	Number of Completions
Alabama Southern	289
Bevill State*	977
Bishop State	567
Calhoun State*	1033
Central Alabama*	312
Chattahoochee Valley	260
Drake State Technical*	200
Enterprise-Ozark	383
Faulkner State	395
Gadsden State*	966
Ingram State Technical*	262
Jefferson Davis	308

Jefferson State*	809
Lawson State*	744
Lurleen B. Wallace	347
Northeast Alabama*	224
Northeast-Shoals State*	562
Reid State	237
Shelton State*	401
Snead State*	211
Southern Union*	584
Trenholm State Technical	598
Wallace State-Dothan	565
Wallace State-Hanceville*	967
Wallace State-Selma	357
Total	**12,558**

Source: Alabama Commission on Higher Education website and database.

Industrial Sites

Economic development and growth are critical factors to the development of a state's economy. Alabama is at its zenith in regards to industrial recruitment from some of the world's leading companies. The leadership, both elected and appointed, is doing an outstanding job at attracting a variety of industries of varying sizes to locate in the state. At the same time in-state expansion of existing industries is increasing. Yet, suitable locations must be available for industry to expand or to relocate. Otherwise the potential for increased industrial growth is negated.

While the growth is on-going, especially in and around larger metropolitan areas, the rural counties are not experiencing the same economic growth rate of the metropolitan counties. A number of rural counties have lost industries due to plant closings, relocations, or to production shifting to outside of the United States. Additionally, many have been unable to attract replacement industry even with sites available.

Regardless, Alabama has an abundance of industrial sites both in the thirty-seven counties covered by the Appalachian Regional Commission (ARC) and the other thirty counties not within this region. This is evident in observing Table E – 1 and Table E – 2 which document the industrial site acreage available within each county of the state.

In reviewing the two tables, it is evident that each county has land set aside for industrial expansion or relocation. This is both a blessing and a curse as many other factors enter into the decision-making equation for potential industrial prospects. These factors are the very reasons a company will choose one location over another. To compound this fact is that within the past two decades we have seen "world-class" companies, primarily automotive, choose to locate on land other than in industrial parks due to many reasons beyond the control of local and other officials. Yet, officials in adjacent areas or counties still have the potential to attract some of the second and third tier firms that relocate to be near the larger, primary company.

A company's decision to locate in one particular area reflects the lack of some important ingredient(s) necessary to meet their production and/or service goals in other locations. The ingredient(s) missing could be any of a number of things to include sufficient space within the sites, an educated workforce or skilled labor force in the immediate area, sufficient utility infrastructure, an adequate transportation network to reach their markets, adequate healthcare facilities, and others.

~ Table E – 1 ~

Industrial Sites *ARC Counties - Alabama*			
County	**Total Acres**	**Total Available Acres**	**% of Total Acres Available**
Bibb	**325**	**325**	**100**
Blount	678	678	100
Calhoun	1256	823	66
Chambers	1367	1367	100
Cherokee	169	76	45
Chilton	2104	2020	96
Clay	**227**	**143**	**63**
Cleburne	803	803	100
Colbert	3095	1561	50
Coosa	**444**	**367**	**83**
Cullman	2457	1757	72
DeKalb	260	220	85
Elmore	525	273	52
Etowah	1578	1177	75
Fayette	**462**	**391**	**85**
Franklin	**903**	**868**	**96**
Hale	**560**	**520**	**93**
Jackson	2664	1210	45
Jefferson	5209	3711	71
Lamar	**440**	**382**	**87**
Lauderdale	1412	378	26
Lawrence	3764	2017	53
Limestone	12500	12128	97
Macon	**1706**	**1606**	**94**
Madison	12406	3605	29
Marion	**5406**	**5153**	**95**
Marshall	1673	1562	93
Morgan	3645	2952	81
Pickens	**2207**	**2057**	**93**
Randolph	**453**	**259**	**57**
St. Clair	3130	2714	87
Shelby	962	809	84
Talladega	5163	4866	94
Tallapoosa	1181	1178	98
Tuscaloosa	2590	1645	64
Walker	913	679	74
Winston	**786**	**786**	**100**
Total	**85,423**	**63,066**	
Note: Counties in bold type are designated by ARC as either Distressed or At-Risk.			

Source: Economic Development Partnership of Alabama (www.edpa.org).

~ Table E – 2 ~

Industrial Sites Non-ARC Counties - Alabama			
County	**Total Acres**	**Total Available Acres**	**% of Total Acres Available**
Autauga	1293	1234	95
Baldwin	5259	5121	97
Barbour	200	79	40
Bullock	319	293	92
Butler	457	226	50
Choctaw	357	168	47
Clarke	4183	2594	62
Coffee	512	388	76
Conecuh	942	866	92
Covington	1038	992	96
Crenshaw	168	103	61
Dale	902	740	82
Dallas	1937	1837	95
Escambia	1690	1420	84
Geneva	90	80	89
Greene	2160	1960	91
Henry	1213	1167	96
Houston	1873	1561	83
Lee	2782	2260	81
Lowndes	2527	2454	97
Marengo	583	491	84
Mobile	11084	8869	80
Monroe	122	102	84
Montgomery	8741	7518	86
Perry	835	597	72
Pike	973	726	75
Russell	2219	1789	81
Sumter	126	126	100
Washington	756	556	74
Wilcox	1086	1029	95
Total	**56,427**	**47,346**	

Source: Economic Development Partnership of Alabama (www.edpa.org).

In reviewing the data presented in the *Summary of Industrial Sites Statewide* (Tables H – 3 and H – 4, p. 28), the ARC counties combined have the highest number of industrial sites with 298 or 56.4 percent of the total sites. Those counties also have the highest total acreage both already occupied by industry and available. The data shows that these counties have 85,423 total acres in the 298 sites which comprise 60.2 percent of the state total industrial site acreage. Of the ARC region's total 57.1 percent (63,065 acres) is available for usage.

The non-ARC region counties have a total of 230 industrial sites made up of 56,427 acres which is 39.8 of the state's total. Of that total 47,346 acres (42.9 percent) are available. In comparing the ARC region with the remainder of the state, the ARC counties have a much higher percentage of the total state's industrial acreage (57.1 %) available. In addition, the ARC region has a higher percentage of the region's total industrial acreage available (44.5 %) than does the remaining portion of the state's available acreage (33.4 %).

~ Table E – 3~

Summary of Industrial Sites Available		
Counties	**Number of Sites**	**% of Total State Sites**
ARC Counties	298	56.4
Non-ARC Counties	230	43.6
Total	**528**	**100.0%**

Source: Economic Development Partnership of Alabama (www.edpa.org).

~ Table E – 4 ~

Summary of Statewide Industrial Sites					
Counties	**Number of Acres**	**% of State Total Acres**	**Number of Available Acres**	**% of State Available Acres**	**Available as % of Total Acres**
ARC Counties	85,423	60.2	63,065	57.1	44.5
Non-ARC Counties	56,427	39.8	47,346	42.9	33.4
Total	**141,850**	**100.0%**	**110,411**	**100.0%**	**77.9%**

Source: Economic Development Partnership of Alabama (www.edpa.org).

With the data presented in the tables when added into the context of the remainder of this report, one can come to the conclusion that additional efforts need to be undertaken to improve or eliminate those factors keeping economic growth from occurring in the rural counties of the ARC region.

Health Care

Health care is a growing concern for the citizens of Appalachian Alabama as well as for all of Alabama and the nation. Health care is a priority of this Administration. The core of the Appalachian Health care infrastructure has been getting stronger, and there has been an expansion in the number of primary-care physicians per capita in Appalachia, according to a report prepared for the Appalachian Regional Commission by Project HOPE Center for Health Affairs. Challenges that were discovered in Appalachia by the Project HOPE Center revealed weakness in access to certain services that fall outside the core functions of primary-care physicians, rural hospitals, and skilled nursing care facilities. Challenges included low levels of dentists per capita; a lack of hospital-affiliated substance abuse treatment services; a lack of hospital-affiliated psychiatric services; and a lack of obstetric care, particularly in economically distressed counties (An Analysis of the Financial Conditions of Health Care Institutions in the Appalachian Region and their Economic Impacts, Project HOPE Center for Health Affairs).

There are several areas in Appalachian Alabama which lack adequate numbers of health practitioners. Appendix II contains a list of all Health Professional Shortage Areas (HPSA) in the Region as designated by the U. S. Department of Health and Human Services. Of the 37 Appalachian counties, there are 16 counties that are totally Health Professional Shortage Areas, and 17 counties that are partially HPSA.

The Alabama Department of Public Health coordinates the placement of primary care physicians on J-1 visas seeking to waive the J-1 home residency requirement by working in a federally-designated HPSA in the Appalachian region. The Department of Public Health also monitors the compliance of these physicians with the practice requirements for J-1 visa waivers supported by ARC. In addition to the need for greater accessibility to primary health care, there is a need for the following:

- Expansion of programs to target infant mortality and to provide prenatal services
- Additional preventive health care
- Preventive services for drug and alcohol abuse
- Expansion of home health care, skilled nursing home beds, respite care, and nutrition programs across all age groups
- Counseling services for “at risk” adolescents
- Expansion of health education programs for students K-12 grades
- Access to emergency medical services in rural areas
- Educational outreach to encourage a healthy lifestyle and hopefully decrease diabetes and obesity

The quality of health care services can be measured by the number of physicians per capita, and three-year rates of infant mortality. These data indicate that most counties in Appalachian Alabama are far behind the rest of Appalachia and the U. S. as a whole. Only one Alabama County (Jefferson) has more than the national average number of physicians. Only the three largest counties (Madison, Jefferson, and Tuscaloosa) have more than the regional average, and two of those hold a medical school. There is a dramatic drop in the number of physicians in other counties, and despite federal efforts to attract doctors to small towns, the numbers are decreasing in 14 counties. In some cases, the loss of one doctor can have dramatic effects on these data: Coosa County had two doctors in 1990, and lost one by 1994, cutting the rate in half.

Many counties are also struggling to improve infant mortality rates. Alabama’s rate from 1965-2009 was much worse than the regional and national rates. From 1965-2009 Alabama overall had an infant mortality rate of 8.2 compared to 9.3 for the Appalachian Region as a whole, and 6.5 for the United States. The 2007-2009 data indicate Macon County has a three-year infant mortality rate of 16.2, followed by Pickens County with 15.9, Talladega County with 15.0, and Tallapoosa County with 14.0.

Quality of an area’s health care services begins with a count of the number of physicians, among other indicators. All 37 counties are designated “Medically Underserved Areas” by the U.S. Department of Health and Human Services, Health Resources and Services Administration. This includes physicians, dentists, and mental health professionals.

In January 2007, the 37 county ARC region of Alabama had 7,270 physicians, according to the Alabama Board of Medical Examiners. When divided into the total population of the ARC counties, a yield of 24.6 physicians per 10,000 population is realized. This is a better number than for the state as a whole at 23.2 physicians per 10,000 population. Another way of looking at the data is in the ARC counties there is one physician per 404 people, which is just a little bit better ratio than for the state, one physician per 430 people. Table E – 1 (p. 13) shows three ARC counties that are not health professional shortage areas: Calhoun, Shelby, and St. Clair. Primary care physicians range from a low of two (2) in Coosa County, four (4) in Lamar County, five (5) in Cleburne County, to a high of 3,595 in Jefferson County, 789 in Madison County, 494 in Tuscaloosa County, 328 in Shelby County, 238 in Morgan County, and 234 in Calhoun County. A medically underserved area as defined by the U.S. Department of Health and Human Services may be a shortage of primary medical care, dental or mental health professionals, and may be urban or rural areas, population groups, or other medical facilities.

Provider distribution is further exacerbated by population distribution. Although approximately 60 percent of the state's population resides in rural areas, 70 percent of all primary care physicians practice within Alabama's five largest counties. Approximately 38 percent are located in Jefferson County with 31 percent distributed among Mobile, Montgomery, Madison, and Tuscaloosa Counties. In addition to a shortage of primary care physicians, there are also shortages of dentists, nurse practitioners, physician assistants, laboratory technologists, and other allied health professionals.

~ Table F –1 ~

Medically Underserved Areas (MUA)
Health Professional Shortage Areas (APSA)
ARC Counties, Alabama

County	MUA* Counties	HPSA**	Infant Mortality Rate 2003-05	Physicians*** 2007
Bibb	X	X	11.5	11
Blount	X	X	8.3	17
Calhoun	X	--	7.4	234
Chambers	X	X	5.4	18
Cherokee	X	X	7.6	14
Chilton	X	X	10.9	26
Clay	X	X	14.1	11
Cleburne	X	X	4.2	5
Colbert	X	X	10.6	112
Coosa	X	X	15.0	2
Cullman	X	X	4.8	152
DeKalb	X	X	8.5	55
Elmore	X	X	8.3	66
Etowah	X	X	8.3	214
Fayette	X	X	11.0	13
Franklin	X	X	9.3	37
Hale	X	X	18.7	10
Jackson	X	X	7.9	56
Jefferson	X	X	10.8	3,595
Lamar	X	X	7.9	4
Lauderdale	X	X	7.0	200
Lawrence	X	X	10.8	15
Limestone	X	X	5.6	65
Macon	X	X	13.6	26
Madison	X	X	7.2	789
Marion	X	X	8.7	42
Marshall	X	X	9.9	104
Morgan	X	X	8.2	238
Pickens	X	X	6.9	12
Randolph	X	X	10.2	12
Shelby	X	--	6.5	328
St. Clair	X	--	9.5	35
Talladega	X	X	11.4	97
Tallapoosa	X	X	9.3	69
Tuscaloosa	X	X	10.6	494
Walker	X	X	8.5	77
Winston	X	X	9.7	15
State			8.9	

*** (MUA) Medically Underserved Area**
**** (HPSA Health Professional Shortage Area**
***** Source: Alabama Board of Medical Examiners, January 2007.**

Source: U.S. Department of Health and Human Resources, Health Resources and Services Administration.

Quality of health can also be measured in terms of infant mortality. Alabama's infant mortality rate in 2000 was the lowest for some time; declining from 9.8 per 1000 live births in 1999, to 9.4 in 2000, one year later. This trend continued in Alabama and by 2003-05 the trend in infant mortality had improved substantially to 8.9 deaths per 1000 live births. This rate compares unfavorably with the national infant mortality rate of 6.8 deaths per 1000 live births in 2004. Infant mortality rates in the ARC counties of Alabama compare unfavorably with those for the state and nation. The infant mortality rate during the 2003-05 period was 9.3 deaths per 1000 live births in those counties. Many counties are struggling with high infant mortality rates for a multiplicity of reasons.

Teen births and smoking during pregnancy are considered risk factors for infant mortality. One of the positive trends to improved infant mortality rates in Alabama relating to this improvement includes reduced births to teenage girls. According to the Alabama Department of Public Health, the percentage of births to teenagers declined to its lowest level in a decade, 15.7 percent. A decline in smoking contributed to improved infant mortality rates as well among women from 12.8 percent in 1999 to 12.5 percent in 2000. The rate of smoking among teenaged mothers declined from 15.4 percent in 1999 to 15.1 percent in 2000.

The top five (5) leading causes of death include:

1. diseases of the heart;
2. malignant neoplasms;
3. cerebrovascular diseases;
4. accidents; and
5. chronic destructive pulmonary disease and allied conditions.

Barriers to access health care in the ARC counties include:

- Transportation;
- Education;
- Provider Distribution; and
- Economic and Cultural Barriers.

V. Challenges and Development Opportunities

Challenges are long standing problems--transition to new economy, low wages, increasing education attainment to meet future growth and development. There is a fervent need to provide infrastructure, improve education, health care accessibility, access to capital and technical assistance for entrepreneurs, provide assistance to communities for leadership development, develop telecommunications infrastructure, and increase markets for small and medium-sized businesses through increased trade. There is a need to target the following:

- Increase the supply of employable workers by placing emphasis on upgrading skills among adults who lack a high school diploma.

- Reduce the number of young people who enter the work place in the future without a high school education.

- Develop a comprehensive, cooperative model for infrastructure development which will promote economic growth along corridors and create jobs for Alabamians.

- Provide accessible, affordable health care to Appalachian residents.

- Penetration of overseas markets—provide access to global markets for small and medium-sized companies.

- Facilitate advanced integrated public and private telecommunications systems that are affordable, easy to use, and accessible to Appalachian citizens in homes, schools, libraries, medical facilities, government agencies, and businesses.

Goals

Four goals were established by the Appalachian Regional Commission to guide the activities undertaken by the commission. The State of Alabama will direct efforts to implement these goals in the following way:

ARC Goal One: Increase job opportunities and per capita income in Appalachia to reach parity with the nation.

Strategic Objective 1.1: Foster Civic Entrepreneurship

State Strategy 1.1.1: Support training programs to increase the proficiency of business development practitioners, economic development officials, and international trade professionals.

State Strategy 1.1.2: Assist local communities to institute strategic planning and direction for future progress and improvement of their local economy.

State Strategy 1.1.3: Support local efforts to form partnerships, both short-term and long-term, between local governments, nonprofit community-based groups, and private businesses for economic and community improvement.

State Strategy 1.1.4: Encourage energy-efficiency through school, non-profit, and community-based programs.

Strategic Objective 1.2: Diversify the Economic Base

State Strategy 1.2.1: Provide capital funding for the development and expansion of small business incubators.

State Strategy 1.2.2: Encourage and support revolving loan fund capitalization efforts for Local Development Districts.

State Strategy 1.2.3: Support efforts to improve access to capital for small and medium-sized businesses.

State Strategy 1.2.4: Promote job creation through investment in the development of renewable energy resources throughout Appalachian Alabama.

Strategic Objective 1.3: Enhance Entrepreneurial Activity in the Region

State Strategy 1.3.1: Provide support for programs that seek to establish an entrepreneurial climate throughout Appalachian Alabama.

State Strategy 1.3.2: Support programs and initiatives that provide training, assistance, and other resources to entrepreneurs for the creation and expansion of local businesses.

State Strategy 1.3.3: Support programs that encourage and teach youth entrepreneurship.

Strategic Objective 1.4: Develop and Strengthen Strategic Assets for Local Economies

State Strategy 1.4.1: Support local efforts to develop and enhance the assets of Appalachian Alabama to increase the level of domestic and international visitation.

State Strategy 1.4.2: Support infrastructure development to increase tourism, based on the economic impact of the development.

State Strategy 1.4.3: Support training programs and workshops on tourism development for local areas.

State Strategy 1.4.4: Support the development, production, and use of local assets for the energy needs of Appalachian Alabama.

Strategic Objective 1.5: Increase the Domestic and Global Competitiveness of the Existing Economic Base

State Strategy 1.5.1: Support programs that will increase goods and services exported from Appalachian Alabama.

State Strategy 1.5.2: Encourage the use of e-commerce applications by small and medium-sized enterprises to improve their supply, manufacturing, and distribution chains

State Strategy 1.5.3: Support initiatives that promote increased foreign direct investment in Appalachian Alabama.

State Strategy 1.5.4: Support technical assistance to businesses and organizations for achievement of operational efficiencies through energy conservation.

ARC Goal Two: Strengthen the capacity of the people of Appalachia to compete in the global economy.

Strategic Objective 2.1: Foster Civic Entrepreneurship

State Strategy 2.1.1: Support youth leadership development efforts through leadership training, experience-based education programs, apprenticeships, youth-operated enterprises, and cooperative education activities.

State Strategy 2.1.2: Support efforts to establish ongoing local leadership training programs.

Strategic Objective 2.2: Enhance Workforce Skills through Training

State Strategy 2.2.1: Strengthen programs that provide basic skills and workforce training to increase employee capabilities, improve job skills, and upgrade marketable skills.

State Strategy 2.2.2: Support workforce readiness programs that provide skills necessary to acquire jobs.

State Strategy 2.2.3: Strengthen basic skills programs in the public school system and establish specific competency requirements.

State Strategy 2.2.4: Continue to improve public education through the implementation of statewide reforms.

State Strategy 2.2.5: Support programs and mobilize resources to increase adult literacy.

State Strategy 2.2.6: Support programs and initiatives that provide for career planning and placement.

Strategic Objective 2.3: Increase Access to Quality Child Care and Early Childhood Education

State Strategy 2.3.1: Support initiatives that provide opportunities for a quality preschool experience through parent support programs, quality childcare and preschool programs.

State Strategy 2.3.2: Assist communities in developing programs and services for families and caregivers of young children that will ensure that all children are healthy and prepared to succeed in school.

State Strategy 2.3.3: Support educational programs in K-12 that will expand and improve current programs.

State Strategy 2.3.4: Support programs that improve teacher quality by increasing professional development programs.

State Strategy 2.3.5: Support programs that will expand the use of telecommunications in education, especially K-12.

State Strategy 2.3.6: Support initiatives that will provide technical assistance to communities on long-term financing, and resource identification for the continuation of exceptional programs.

State Strategy 2.3.7: Support initiatives that will help parents and caregivers learn positive skills to help them meet the physical, intellectual, social, and emotional needs of all children.

Strategic Objective 2.4: Increase Educational Attainment and Achievement

State Strategy 2.4.1: Support initiatives that promote lifelong learning.

State Strategy 2.4.2: Support programs that reduce the school dropout rate in our Appalachian counties to equal or better than the national average.

State Strategy 2.4.3: Utilize telecommunications, computers, and other technological capabilities to deliver education and training programs.

Strategic Objective 2.5: Provide Access to Health-Care Professionals
State Strategy 2.5.1: Support educational programs that train health-care professionals who will locate in Appalachian Alabama.

State Strategy 2.5.2: Support programs to provide primary health care to Appalachian citizens.

Strategic Objective 2.6: Promote Health through Wellness and Prevention
State Strategy 2.6.1: Bring the infant mortality rate into parity with the nation.
State Strategy 2.6.2: Support programs to strengthen prenatal and neonatal health care and to provide education programs to reduce the infant mortality rates.

State Strategy 2.6.3: Support programs to prevent teen pregnancy.

ARC Goal Three: Develop and improve Appalachia's infrastructure to make the Region economically competitive.

Strategic Objective 3.1: Foster Civic Entrepreneurship
State Strategy 3.1.1: Encourage local leaders to explore innovative, cost-effective arrangements for delivery of services, including service consolidations.

State Strategy 3.1.2: Provide training, consultation, and financial support for local leaders and organizations to build capacity to address infrastructure challenges.
State Strategy 3.1.3: Support partnerships and regional efforts in infrastructure development.
State Strategy 3.1.4: Encourage water and wastewater infrastructure development through "self-help" projects that use the skills and commitment of local communities.
State Strategy 3.1.5: Support strategic planning initiatives for local organizations and agencies to capitalize on economic development opportunities created by the Appalachian Development Highway System.

Strategic Objective 3.2: Build and Enhance Basic Infrastructure
State Strategy 3.2.1: Support job creation and retention by investing in water, sewer, site development, industrial access roads, and other physical infrastructure to serve new and expanding industrial and commercial development.

State Strategy 3.2.2: Pursuant to ARC's residential service policy, ensure public health, regulatory compliance, and economic opportunity by providing new and existing customers with safe drinking water. The State will give priority to water projects that serve areas with documented health hazards.

State Strategy 3.2.3: Pursuant to ARC's residential service policy, ensure public health, regulatory compliance, and economic development by providing new and existing customers with wastewater disposal and treatment services. The State will give priority to wastewater projects that serve areas with documented health hazards.

State Strategy 3.2.4: Support the development and construction of strategic community facilities that will enhance opportunities for job creation and retention.

Strategic Objective 3.3: Increase the Accessibility and Use of Telecommunications Technology
State Strategy 3.3.1: Support initiatives that implement Alabama's Strategic Plan for Telecommunications in Appalachia.

State Strategy 3.3.2: Support efforts to link new and existing telecommunication networks.

State Strategy 3.3.3: Support training in the public, private, and non-profit sectors in Appalachian Alabama in the use of new technologies and applications.

State Strategy 3.3.4: Support projects that will evaluate existing architecture, infrastructure and equipment or facilitate the development of new applications and networks.

State Strategy 3.3.5: Support projects that will assist in the development of architecture infrastructure and equipment for new networks.

State Strategy 3.3.6: Support promising and innovative telecommunications applications and programs.

State Strategy 3.3.7: Encourage strategic investment in telecommunications infrastructure, including the use of conduit for fiber optic cable in basic infrastructure projects, that increases local, regional, and global connectivity.

State Strategy 3.3.8: Develop “smart parks” with telecommunications infrastructure, which will meet the needs of information industries.

Strategic Objective 3.4: Build and Enhance Environmental Assets

State Strategy 3.4.1: Support programs to raise awareness and leverage support for the reclamation and reuse of brownfields properties in industrial areas and mine-impacted communities.

State Strategy 3.4.2: Encourage eco-industrial development that can responsibly take advantage of the Region’s natural-resource assets.

State Strategy 3.4.3: Support regional planning and economic development policies and programs that promote good stewardship of the Region’s natural resources.

State Strategy 3.4.4: Support programs that encourage planning for, and development of, healthy and livable communities.

Strategic Objective 3.5: Promote the Development of an Intermodal Transportation Network

State Strategy 3.5.1: Work with state and local partners to identify and develop intermodal transportation facilities.

State Strategy 3.5.2: Support programs to encourage the expanded use of existing intermodal facilities.

State Strategy 3.5.3: Extend rail spurs into industrial areas, with a priority on those that serve multiple sites.

ARC Goal Four: Build the Appalachian Development Highway System to reduce Appalachia’s isolation.

Strategic Objective 4.1: Foster Civic Entrepreneurship

State Strategy 4.1.1: Encourage long-term strategic planning by local and regional leadership to take full advantage of the economic and community-building opportunities of the Appalachian Corridor Development.
State Strategy 4.1.2: Support local and multi-jurisdictional forums to promote communication and mutual understanding, and resolution of barriers to completion of the remaining ADHS miles.

Strategic Objective 4.2: Promote On-Schedule Completion of ADHS Corridors X and V

State Strategy 4.2.1: Support efforts to complete Corridor X.

State Strategy 4.2.2: Support efforts to complete Corridor V

State Strategy 4.2.3: Encourage the use of conduit for deployment of telecommunications technology.

Strategic Objective 4.3: Coordinate Work on ADHS State-Line Crossings

State Strategy 4.3.1: Encourage the coordination of technical information, funding disbursements, and construction scheduling between adjoining states to facilitate completion of state-line crossings of ADHS corridors.

In addition, the State will submit an annual Strategy Statement to the Commission that will outline the State’s plan for the use of ARC funds. This document will reflect the State’s commitment not only to correcting long-term, structural poverty but also our agenda for addressing the sudden and severe shocks to Appalachian Alabama’s economy that result from factors such as rapid globalization and the changing economic climate.

Local Development Districts

Eight Local Development Districts (LDDs) serve the Appalachian Region. The population and occupation trends of Appalachian Alabama are given by Local Development District.

District 1 (Colbert, Franklin, Lauderdale, Marion, and Winston counties) is served by the Northwest Alabama Council of Local Governments (NACOLG). These counties are bordered on the north by the State of Tennessee and on the west by the State of Mississippi. The 1996 population estimate by the Census Bureau for the NACOLG region indicates that the district has grown at a rate of 4.1% since 1990, with the region's population estimated at 219,713 people. In 1990 the population of the region was 211,112 people. According to a 1998 study of occupational trends by the Alabama Department of Industrial Relations, all occupations in the Florence Metropolitan Area are projected to grow at an annual rate of 1.70% between 1996 and 2006. Included in these data are white collar workers whose growth rate is 2.01%; blue collar workers whose growth rate is 1.04%; service workers, 2.69%; and agriculture, forestry and fishing occupations, 0.11%.

West Alabama Regional Commission - District 2 - is a seven-county region consisting of six Appalachian counties, Bibb, Fayette, Hale, Lamar, Pickens and Tuscaloosa, and Greene County, a non-ARC county. Hale and Pickens are distressed counties.

The Tuscaloosa Metropolitan Area (MA) has the fifth largest population among the state's 12 MA's and is the hub of the West Alabama region. Tuscaloosa is the home of the University of Alabama, the region's largest employer, as well as the first Mercedes-Benz manufacturing facility in the U.S. The 2000 census population for the six ARC counties is 258,234 or 5.8% of the state's 2000 population. Between the 1990 and 2000 census, the six-county area experienced an 8.97% population increase compared to the state's 10.06% increase. Bibb County showed the most notable increase in population with a growth rate of 25.64%.

Interstate highways 20, 59 and 359 and U.S. highways 82, 43, 11, and to a lesser degree U.S. highway 80 serve Appalachian West Alabama. Major waterways include the Black Warrior River, Cahaba River, North River, the Sipsey River, and the Tennessee-Tombigbee Waterway.

According to a 2006 study of occupational trends by the Alabama Department of Industrial Relations, all occupations in Workforce Investment Area 3 (Bibb, Fayette, Hale, Lamar, Pickens, Tuscaloosa counties and non-ARC Greene county) are projected to grow at an annual rate of 1.36% between 2004 and 2014. Computer and math, architecture and engineering, health care, social services, legal, and education occupations show the highest projected annual growth rates. On the other hand, farming, fishing and forestry occupations show a deficit annual growth rate during this ten-year period. The trends in West Alabama are similar to those of the entire State of Alabama with a projected 1.37% annual growth rate.

The Regional Planning Commission of Greater Birmingham (District 3) serves a six county district consisting of Blount, Chilton, Jefferson, St. Clair, Shelby, and Walker Counties. All six counties are located within Appalachian Alabama, as defined by the Appalachian Region. The Birmingham Metropolitan area is the hub of the Birmingham region and contains the University of Alabama at Birmingham, which is the region's largest employer. Interstate Highways 59, 20, 65 and 459 serve the region and the state of Alabama. ARC Corridor X is under construction in Jefferson and Walker Counties providing Region 3 with a limited access highway connection between Birmingham and Memphis. With approximately 1 million people, the Birmingham Metropolitan Area is the largest metropolitan area in the state.

In 1990, the six county region had a population of 940,263 which was 23.2 percent of the state's total population. Between 1980 and 1990, the six-county area experienced a 2.8 percent population increase compared to the state's 3.8 percent increase. During the 1980's Jefferson County lost 54,030 people or 8 percent of its population while Walker County lost 2,820 people, which was 4 percent of its population. However, the other four counties experienced population increases during this period. In 1990, the Birmingham Metropolitan Statistical Area contained 839,942 people and was the nation's 53rd largest

MSA. In 2000, the six county region had a population of 1,031,412 an increase of 9.7 percent over the previous decade. Also in 2000, the city of Clay was incorporated, with a population of 4,947, followed in 2002 by the incorporation of city of Center Point which had an initial population of 15,548. In 2004, city of Pinson was formed having a population of 6,081.

According to a recent study of occupational trends by the Alabama Department of Industrial Relations, all occupations in the Birmingham Metropolitan Area are projected to grow between 2002 and 2012. This study forecasts high growth rates for healthcare and social service, office and administration, plus sales and food preparation occupations.

District 4 (East Alabama Regional Planning and Development Commission) is composed of Calhoun, Chambers, Cherokee, Clay, Cleburne, Coosa, Etowah, Randolph, Talladega and Tallapoosa Counties. The population was 451,021 in 1980; by 1990, the population was 442,152, a decrease of 8,869 persons or 2.0 percent. However, the region experienced a resurgence in the 1990s, reaching a population of 461,034 by the year 2000. The region's growth rate (4.3%) is somewhat modest in comparison with the State of Alabama's 10% population increase. The East Alabama Region's comeback may be attributed to population increases in eight of the ten counties. The most explosive growth occurred in Cherokee County, a rural county boasting a large recreational lake. Cherokee County is situated between the Gadsden, AL and Rome, GA metropolitan areas, and also is convenient to the Anniston metro area. Randolph County also has benefited from growth around its lake and its proximity to Anniston and Georgia employment centers, although not to the extent of Cherokee County (12.6% growth, as compared with Cherokee's 22.7%). Two other rural counties–Cleburne and Coosa–also experienced double digit growth rates. Cleburne County is feeling the effects of the ever expanding Atlanta metro area, and Coosa County is benefiting from its proximity to major employment centers and lakefront development.

The region's largest county, Calhoun, experienced a mild decline in population, continuing a downward trend that began in 1980. Although most of the counties in the East Alabama Region are rural in nature, 56.4 percent of the region's population was considered urban in 1990. The Census Bureau changed the urban/rural definition in the 2000 Census, so trend analysis of the region's urban/rural composition cannot be conducted. However, the proportion of the population living in the region's two metropolitan areas–Anniston/Calhoun County and Gadsden/Etowah County–has decreased steadily over the past twenty years, from 49.4% in 1980 to 46.8% in 2000. The East Alabama region had a smaller urban population percentage in 1990 than the state of Alabama, which had an urban population of 60.4 percent.

According to the Alabama Department of Industrial Relations, All occupations in the East Alabama Region will grow by 10.42% between 2002 and 2012, and average of 1% each year. In comparison, jobs on a statewide basis are projected to grow at a rate of 14% over them same period. The occupations with the *most job openings* will be in sales, food preparation and serving, office and administrative support, and production. The *fastest growing occupations* will be in computer and mathematical science occupations, and in healthcare.

The South Central Alabama Development Commission (District 5) consists of one ARC county, Macon, and five non-ARC counties, Bullock, Butler, Crenshaw, Lowndes, and Pike. Macon County was added to the Appalachian region in 1998 as a distressed county. Located on Interstate 85 and U.S. Highways 29 and 80, Tuskegee serves as the political, economic, and educational center for Macon County. Census 2000 shows Macon's population was 24,105, which is 21.2% of the District's population, and .54% of the total state population. Between 1990 and 2000, Macon County experienced a 3.3% decrease in population as compared to a state increase of 10.1%.

District 9 (Central Alabama Regional Planning and Development Commission) consists of Autauga, Elmore, and Montgomery Counties; however, Elmore County is the only Appalachian county in the district.

District 9 also coincides with the Montgomery MA. Montgomery County is home to the City of Montgomery, which doubles as both the state capital and the region's largest city. The Montgomery MA had a 9% change in population between 1990 and 1998. Its population increased from 292,517 in 1990 to 321,781 in 1998 largely due to the rapid growth occurring in Autauga and Elmore counties. Elmore County experienced a 26 % change in population between 1990 and 1998 as its population rose from 49,210 in 1990 to 61,993 in 1998. Elmore County ranks as the third fastest growing county within Alabama.

Elmore County is the only Appalachian County in District 9 and borders Montgomery County. According to a 1998 study of occupational trends by the Alabama Department of Industrial Relations, all occupations in the Montgomery Metropolitan Area are projected to grow at an annual rate of 2.22% between 1996 and 2006. Included in these data are white collar workers whose growth rates is 2.21%; blue collar workers whose growth rate is 1.78%; service workers, 3.09%; and agriculture, forestry and fishing occupations, 0.93%.

The North Central Alabama Regional Council of Governments (NARCOG) Region consists of Cullman, Lawrence, and Morgan Counties. The district's population in 2000 was 223.350. This represents an increase of 10.8% over the 1990 population of 199,169. Unemployment in the Region has decreased since 2004. Lawrence County, our most distressed county, went from 6.6% in 2004 to 4.4% in 2007. Morgan County had the next highest unemployment rate of 3.5% in 2007, a decrease from 6.0% in 2004. Cullman County had the lowest average rate of 3.3% during this period, and it also had the lowest rate in 2004.

District 12 (Top of Alabama Regional Council of Governments) is composed of DeKalb, Jackson, Limestone, Madison and Marshall Counties. Madison County, the major economic and growth center and Limestone County, also comprise the Huntsville Metropolitan Statistical Area (MSA). TARCOG's 2005 population estimate of 575,216 – yielded a growth rate of 5.6 percent since the 2000 Census. This continued the District's 1990-2000 positive trend, being well over twice the State's 2000-05 population increase estimate of 2.4 percent, and even beating the national increase figure of 4.8 percent.

Jackson County, with its 2001-2004 handicap from a series of economic setbacks, still trailed the District, posting an estimated loss for the period of just under 0.7 percent. The commuting pattern linked counties of Limestone and Madison continue to lead the District, posting 6.9 and 7.3 percent increases respectively. Growth outside incorporated places was still a strong regional factor, but during the 2000-04 period, incorporated areas population and annexations caused them to outgrow county-wide remainder rates by 5.5 to 3.8 percent. By 2005, growth in the unincorporated areas outpaced its municipal counterparts only in rural DeKalb County.

Estimates of the Population: TARCOG: 2000-2005

Estimates for July 1:

	2005	2004	2003	2002	2001	2000	% change 2000-05	% change 2003-05
Alabama	4,557,808	4,525,375	4,501,862	4,480,139	4,467,461	4,452,339	2.4%	1.2%
DeKalb County	67,271	66,928	66,365	65,703	65,655	64,666	4.0%	1.4%
Jackson County	53,650	53,747	53,897	53,910	54,057	54,026	-0.7%	-0.5%
Limestone County	70,469	69,202	68,165	67,522	66,925	65,950	6.9%	3.4%
Madison County	298,192	293,598	289,926	285,711	281,171	277,841	7.3%	2.9%
Marshall County	85,634	84,767	84,065	83,287	82,340	82,313	4.0%	1.9%
TARCOG	575,216	568,242	562,418	556,133	550,148	544,796	5.6%	2.3%
Huntsville Metro Area								
Limestone County	70,469	69,202	68,165	67,522	66,925	65,950	6.9%	3.4%
Madison County	298,192	293,598	289,926	285,711	281,171	277,841	7.3%	2.9%
Metro Total	368,661	362,800	358,091	353,233	348,096	343,791	7.2%	3.0%
Albertville Micro Area								
Marshall County	85,634	84,767	84,065	83,287	82,340	82,313	4.0%	1.9%
Ft. Payne Micro Area								
DeKalb County	67,271	66,928	66,365	65,703	65,655	64,666	4.0%	1.4%
Scottsboro Micro Area								
Jackson County	53,650	53,747	53,897	53,910	54,057	54,026	-0.7%	-0.5%
Micro Area Total	206,555	205,442	204,327	202,900	202,052	201,005	2.8%	1.1%

Source: U. S. Census & BEA

* The April 1, 2000 Population Estimates base reflects changes to the Census population that resulted from the County Question Resolution program and geographic program revisions.

An additional population related 2004/05 development to watch in the region continued to be the results from the U. S. Census Bureau's release of its "Micropolitan Statistical Areas' listing. Scottsboro (Jackson County) Ft. Payne (DeKalb County) and Albertville (Marshal County) were included in the listing. While the designation itself did not mean any significant increase in statistical data for the areas, it does appear to represent a marketing "recognition" of urbanization and population coalescence trends – and some increase economic market (and possible EPA regulating) targeting to these areas.

Two other significant population trends reflecting TARCOG's changing migration and locational diversification are: 1) the fact that, in all of the District's counties, between 1990 and 2000, the unincorporated areas posted a new and higher growth rate than the combined municipalities, and that 2000-2005 population estimates show this trend reversing in all but DeKalb County; and, 2) The fact that the age/65 and over population of the District, which in year 2000 was greater than the statewide average in DeKalb, Jackson and Marshall Counties, is projected, by the year 2020, to exceed the statewide average in only Jackson County.

According to the most recent (2004) study of occupational trends by the Alabama Department of Industrial Relations (ADIR), all occupations in ADIR Region 2 (containing District 12) are projected to grow at an annual job-opening rate of 1.47% between 2004 and 2014.* A key observation in this projection that highlights negative impacts, however, is the projected loss of some 3,000 jobs in textiles and apparel over that period – jobs that are still a "to-be-replaced" backbone portion of DeKalb and Jackson counties manufacturing labor force.

Employment and Economy

The Region's core/growth economy continues to be centered in the Huntsville MSA, which in 2006 continued to be dominated by a combination of rising federal anti-terrorism/technology spending, biomedical industry growth, and an upwards move in the previously stagnant hi-

Unemployment Rates for TARCOG Counties, 2001-2006

	2001	2002	2003	2004	2005	2006
United States	4.7	5.8	6.0	5.5	5.1	4.6
Alabama	5.3	5.9	5.8	5.6	4.0	3.6
DeKalb	4.5	4.5	5.1	5.6	4.5	3.7
Jackson	8.3	8.4	8.1	6.7	4.5	4.0
Limestone	4.1	5.3	5.4	5.0	3.9	3.2
Madison	3.4	4.2	4.3	4.5	3.1	2.9
Marshall	6.1	6.2	5.5	4.8	3.4	3.1

Source: Alabama Department of Industrial Relations, Spring, 2007.

* ***The data for the non-TARCOG counties making up the ADIR Region (Lawrence, Cullman, Morgan and Blount) probably skews current District 12's data downwards slightly, but in general, the rural/growth center mix of counties in the Region is fairly representative.***

tech/computer & telecommunications market. Entertainment products, civilian tech output and commercial related market expansions/announcements beginning in late 2004, caused Toyota, West Corporation, DirecTV, Boeing, Cinram, and Dynetics to announce expansions in 2005 that are expected to create an estimated 3,500+ jobs in the area within three years.

Long-term/legacy aerospace, missile and defense-oriented contractors continue to be vulnerable to the ongoing curtailment of government spending on R&D in space and/or weapon systems – but the 2006 Congressional affirmation of Huntsville's winning position in the latest round of the Base Closing and Realignment (BRAC) adjustments promises to more than equalize the upper level job market – with 3,000+ direct jobs projected.

So, while détente' based aerospace/defense program cutbacks and phase-outs for MSFC/NASA and the U.S. Army's Missile/Defense oriented installations at Redstone Arsenal continue to offset a portion of the previous base consolidation employment gain, post Iraq conflict peacekeeping effort continues to involve a significant munitions and weapons replacement & maintenance effort supported out of Redstone Arsenal. While few new systems development needs have materialized locally, BRAC mandated base consolidation in logistics will add civilian jobs in logistics; and, helicopter and jet engine customization and maintenance will also create a strong, growing avionics employment cluster. Additionally, Intergraph and several other area computer analysis/support and specialty electronics firms continue to participate actively contracts from new DOD war-on-terrorism related initiatives.

As of the first quarter of 2007, there continues to be a strong potential for long-term regional economic impact growth radiating out from the Huntsville/Madison County area from both BRAC and biotechnology. TARCOG expects to be actively involved, partnering with public and private sectors stakeholders to both maximize the economic impact, and, to help plan effectively for the regional service and infrastructure needs associated with these actions.

Economic Status of Counties
The Appalachian Regional Commission (ARC) uses an index-based county economic classification system to identify and monitor the economic status of Appalachian counties. The system involves the creation of a national index of county economic status through a comparison of each county's averages for three economic indicators—three year unemployment rate, per capita market income, and poverty rate—with national averages. The resulting values are summed and averaged to create a composite index value for each county. Each county in the nation is then ranked, based on its composite index value, with higher values indicating higher levels of distress.

Each Appalachian county is classified into one of five economic status designations, based on its position in the national ranking:

Distressed
Distressed counties are the most economically depressed counties and rank in the worst 10 percent of the nation's counties.

At-Risk
At-Risk counties are those at risk of becoming economically distressed and rank between the worst 10 percent and 25 percent of the nation's counties.

Transitional
Transitional counties are those transitioning between strong and weak economies. They make up the largest economic status designation. Transitional counties rank between the worst 25 percent and the best 25 percent of the nation's counties.

Competitive
Competitive counties are those that are able to compete in the national economy but are not in the highest 10 percent of the nation's counties. Counties ranking between the best 10 percent and 25 percent of the nation's counties are classified competitive.

Attainment
Attainment counties are the economically strongest counties and rank in the best 10 percent of the nation's counties.

The State of Alabama will provide services to the "Distressed Counties" in all four goal areas with the understanding that because of their unique problems, there may be a need to provide a stronger focus in a particular goal area, such as health or capacity building. Efforts will be made to provide physical infrastructure that will eliminate health hazards and promote job opportunities. There will also be a focus on health, safety, and environmental programs that will ensure healthy workers and healthy children. In order to improve the well being of the citizens in "Distressed Counties," training in basic skills and workforce training programs will be emphasized in an ongoing effort to improve the quality of life.

The designation of these counties may change because counties are evaluated on an annual basis by the Appalachian Regional Commission.

Congress has also mandated a focus on “Distressed Areas” as well as “Distressed Counties.” Distressed Areas are census tracts within non-distressed counties that have a median family income that is no greater than two-thirds of the national average of $50,046 and have a poverty rate that is at least 1.5 times the national average of 12.4 percent.

The following table denotes which Appalachian Alabama counties have received a *distressed* classification since FY2007:

FY2007	**FY2008**	**FY2009**	**FY2010**	**FY2011**	**FY2012**
Franklin	Hale	Hale	Hale	Hale	Chambers
					Hale
Hale	Macon	Macon	Macon	Macon	Macon
Macon					Winston
Pickens					

VI. Collaboration with Other Agencies
The Alabama Department of Economic and Community Affairs will maintain its contacts with the Economic Development Association of Alabama (EDAA), the Alabama Development Office, the Economic Development Partnership of Alabama (EDPA), Alabama Mountain Lakes Tourist Association, federal agencies, state agencies, local economic developers, and local governments in an overall effort to promote economic growth and improve the quality of life for Appalachian residents.

ADECA will continue to work with the private sector in an effort to further expand the economy of Appalachian Alabama. The participation of the private sector in overall development activities will be encouraged and supported by the state. The State of Alabama will work closely with national and local partners to foster public and private partnerships to achieve the goals and objectives for Appalachia. Basic federal agencies are involved in the administration of all construction related ARC grants. Federal agencies, which serve by agreement with the Commission as basic agencies for ARC grants include the Rural Development Administration, Economic Development Administration, Tennessee Valley Authority, and the Department of Housing and Urban Development. On occasion other federal agencies, such as the Environmental Protection Agency, act as basic agencies for certain projects. Some basic agencies provide funds to many of the ARC projects they administer.

VII. State Policies
State funding thresholds for “distressed” counties will be 80/20 with a maximum of $200,000 ARC funds per project. State thresholds for all transitional Appalachian counties will be 50/50 for construction and 50/50 for non-construction projects with a maximum of $200,000 in ARC funds per project. State thresholds for all “transitional” counties with “Distressed Areas” will be 50/50 with a maximum of $200,000 in ARC funds per project. State thresholds for Administrative Grants for Local Development Districts (LDDs) will be 50/50, except for those LDDs with “distressed” counties. LDDs with one or more “distressed” counties will have a threshold of 75/25 for Administrative Grants. State thresholds for Regional Initiatives will be 50/50. For the State’s Consolidated Technical Assistance program, the threshold will be 50/50. No ARC dollars will be used in “attainment” counties except for multi-county projects which propose clearly-demonstrated benefits in one or more “distressed” counties.

Availability of funding for a project from an ARC Revolving Loan Fund (RLF) is determined by the limit applicable in the county where the project is located. (This rule does not apply to loans made with ARC RLF funds approved prior to November 13, 1998. Loans using such funds are restricted in accordance with the terms of the grant agreements under which they were made available).

State thresholds for "Competitive Counties" will be 30/70 with a maximum of $200,000 in ARC funds per project. The State will not fund projects to construct or renovate school buildings, except in emergency situations. Project overruns will not generally be considered for additional ARC funding. When there are project underruns, ARC funds will generally be deobligated and returned to be made available for other eligible projects. A request for proportional reduction will be given consideration in projects with underruns. Under certain circumstances, the state may waive the state policy maximum of $200,000 per project. The State will target areas of greatest need, and will respond with ARC dollars in cases of emergency and whenever special development opportunities arise. The threshold for emergency relief projects and projects that are special development opportunities will be 80/20.

Special Initiatives

In the past, ARC's Federal Co-chair has periodically singled out a special opportunity or strategy to complement the Commission's proven methods of increasing the economic attainment of the Region. These regional initiatives have historically focused on areas such as telecommunications, leadership development, international trade and entrepreneurship, and asset-based economic development. Due to budget constraints and a reduction in funding, these regional initiatives have now become a part of the area development program within each state and projects within these areas are left to the discretion of each state.

Asset-based Economic Development

Asset-based development leverages what is unique to an area, playing to community strengths. By contrast, support for the strengthening of generic weaknesses in a region's economy does not fit well into an asset-based development framework.

Proposals for funding asset-based economic development projects must demonstrate that they will contribute to the achievement of the goal.

In identifying the advantages of the Region as a whole, four broad opportunities for development become apparent. These opportunities involve the leveraging of cultural, natural, community-based, and structural assets. Examples of development strategies based on these assets are given below.

- **Cultural -** Building *creative* economies by capitalizing on traditional arts, cultural heritage, and new and existing programs for attraction of visitors, both domestic and international, has paid off for a number of regions across Alabama and the Appalachian Region. These strategies have included creation of heritage trails, development of apprenticeship programs, use of traditional retail venues and electronic commerce to market indigenous products, and highlighting the Region's music and narrative traditions.
- **Natural –** Appalachian Alabama has long been known for its natural assets, and the gateway communities leading to them stand to benefit greatly from increased visitation and spending. A sustainable, asset-based development strategy for these natural resources maintains their character while allowing for greater enjoyment of outdoor activities such as fishing, camping, white-water rafting, and rock climbing. Specialized agricultural development, including the processing of specialty food items, fish farming, and organic farming adds value to an activity that has traditionally been a primary economic pursuit. Getting the most from the Region's productive hardwood forests by maximizing sustainable timber harvesting and value-added processing can create jobs and local wealth.
- **Leadership/Community –** It is often said that a community's greatest assets are its organizations and its residents, especially those that take leadership roles in helping the community thrive and prosper. A comprehensive asset-based strategy builds community capacity, encourages citizen involvement, and

fosters collaboration among business, government, nonprofit, and philanthropic organizations to act as catalysts for community and economic development. Successful leadership/civic capacity projects allow a community to rise up to meet the increasing demands of growth and change.

- **Structural -** Appalachian communities can turn local liabilities into opportunities by focusing on strategies such as brownfield redevelopment, adaptive reuse of real estate, and downtown revitalization. Converting overlooked and underused facilities into industrial parks, business incubators, or educational facilities has shown positive results across Appalachia. Throughout the Region, communities and businesses are integrating development and management practices to leverage what they have—historic buildings, abandoned railroads, and old mines—to build and enhance economic vitality.

Telecommunications

The Alabama Department of Economic and Community Affairs (ADECA) will seek to increase the use of technology, distance learning, telemedicine, video arraignment, economic development, and other telecommunications within Appalachian Alabama. ARC funds will be used to develop a fiber optic backbone, where fiber is available at a reasonable cost, and will use other systems that are reasonable and available when fiber is not obtainable. Each system or network funded will include the necessary equipment to connect with other networks or systems.

ADECA will provide assistance in the design of the system and assist in writing open specifications, so that applicants will not have to rely on a particular vendor to both design and bid on a system. Technology training will be provided to teachers and technology coordinators whenever a system is installed. A list of vendors will be maintained in the Science, Technology and Energy Division of ADECA and will be provided to each applicant, with a disclaimer that no particular vendor is recommended and that all projects must be bid.

Energy Blueprint

The Appalachian Regional Commission has developed an Energy Blueprint for the Region, which will provide a strategic framework for the Commission to promote new energy-related job opportunities by stimulating sustainable energy production efficiency and conservation efforts throughout the region. The blueprint will assess the current energy landscape and examine both non-renewable and renewable energy opportunities based on the competitive potential of Appalachia's energy resources and current and emerging energy technologies. The blueprint will identify the Appalachian Region's energy assets and the potential for developing energy-related job opportunities in the Region based on the competitive potential of these assets.

The ARC Energy Advisory Council, consisting of one Governor-appointed energy expert from each of the 13 Appalachian states will bring their expertise, ideas and experience and use this and other information gathered to develop regional energy strategies and identify opportunities to address the changing energy market environment. Four areas to be addressed will be: non-renewables, renewables, jobs and energy, and energy efficiency and conservation.

The energy sectors are:

I. Non-Renewables

A. Coal
   1. coal gasification and liquefaction
   2. carbon capture and sequestration research and development
   3. mine-tailing clean-up and energy production

B. Oil
   1. enhanced oil recovery methods
   2. oil shale resources

C. Natural Gas (and natural gas recovery)
D. Hydrogen production from non-renewable sources
E. Market Dynamics and Environment Costs

II. Renewables

A. Wind
B. Solar
C. Hydro
D. Biomass/Biofuels
E. Geothermal
F. Waste to energy
G. Hydrogen/Fuel cells
H. Market Dynamics and Environmental Costs

III. Energy Efficiency

A. Industry
B. Residential
C. Commercial
D. Transportation
E. Institutions

The Alabama State Energy Office (SEO), a division of the Alabama Department of Economic and Community Affairs, (ADECA), will direct the State Energy Program (SEP) activities toward changing the behavior of participants in energy markets by increasing awareness of energy efficiency products, services and practices, supporting programs that contribute to a reduction in U. S. imported oil dependency and enhancing the resiliency of our energy system. Alabama's goals and objectives are:

- Increase the use of renewable energy and promote energy efficiency in Alabama
- Promote the production, distribution and use of alternative transportation fuels, alternative fuel vehicles and the use of biofuels in Alabama
- Promote energy efficiency and renewable energy technology
- Promote carpools, vanpools, ridesharing, and public transportation
- Advocate energy code adoption for residential and commercial construction
- Promote the use of ground source heating and cooling in K-12 schools
- Decrease energy usage in public buildings
- Advocate building energy code adoption
- Educate consumers in energy efficiency and renewable energy practices and methods
- Stimulate consumer demand and supplier innovation through training and education for residential industry professionals, building professionals, and consumers
- Train and educate teaching professionals and younger Alabamians
- Advocate the environmental and energy consumption reduction benefits of recycling
- Reduce impacts of energy shortages and/or disruptions

The Alabama strategy for implementing the State Energy Program is to foster programs that address the following areas:

- Renewable energy will be advocated through presentations, partnerships, information distribution, workshops, taskforce development and other means promoting biofuels, bioenergy and solar energy

- Alternate transportation fuels, especially renewable biofuels will be promoted through regional workshops, taskforce participation, presentations, stakeholder coordination and website development.

- Promote the use of landfill gas and biofuels to generate renewable energy.

- Promote the local government loan program to local governments and K-12 schools and provide zero-interest loans for energy conservation loans for energy conservation improvements, energy audits and building retrofits.

- Promote energy efficiency in industrial facilities and participation in the DOE Industrial Technologies program to improve processes and practices that reduce energy use and cost of operation.

- The Rural Water System Leak Detection Program will reduce energy usage and water loss.

- Energy Codes Outreach and Advocacy Program will promote the adoption or update of energy codes on the local level.

- Carpool and vanpool rideshare matching will be promoted to metropolitan and rural areas by promoting the CommuteSmart program through information distribution, presentations and internet communication. Public transportation will also be promoted through marketing materials.

- The State Buildings Energy Efficiency Program will increase energy efficiency in state facilities and advocate life-cycle costing to permit the expanded procurement of ENERGY STAR products through state purchasing.

- Performance constructing will contribute toward the reduction of energy consumption in state buildings and will be marketed to state agencies, local government and schools.

- The Building Energy Codes Programs will increase residential and public building energy efficiency through advocacy of local government adoption and enforcement of the complete International Residential Code and public building lighting and thermal efficiency standards.

- Energy consumer market transformation will occur through public energy education, stimulating demand for ENERGY STAR products, residential building education, and K-12 energy education.

- Waste generation impact on the environment and energy consumption to produce end products will be reduced through recycling advocacy.

- Promote the use of ground source heating and cooling with the installation of geothermal heat pumps in K-12 schools.

Special Initiatives (Other)
The State of Alabama will continue to participate in the ARC Export Trade Advisory Council (ETAC) and will support efforts to increase international trade and export development in Appalachian Alabama. The State will also assist in recruiting industries for trade expeditions and trade shows related to ETAC.

Outreach
The ARC Program Manager conducts an open ARC Applications Workshop in July or August of each year. This workshop is an opportunity to distribute information about the Appalachian Regional Commission program, and to provide technical assistance in the submission of pre-applications and full applications. Pre-applications for ARC funding are taken the entire month of August.

All project applications will be required to include performance measures as a part of the application process. All projects submitted to the state for ARC funding must have output and outcome measures included in an evaluation plan from the grantee.

Alabama will focus primarily on areas of highest need, depressed areas, areas hardest hit economically, areas with health hazards, areas where projects will have the greatest impact, and areas that are not able to help themselves. Alabama will increase reading initiatives across the Appalachian Region and provide funding as well to increase professional development for teachers. In conjunction with a focus on economic growth, the State of Alabama will support efforts to improve education, build leadership capacity, increase the number of entrepreneurs, increase energy-related development, provide physical infrastructure including telecommunications infrastructure, and increase health care in Appalachian Alabama. The state will work closely with the Alabama Development Office as well as other trade multipliers in efforts to increase trade in Appalachian Alabama, and will participate in trade events as well as events sponsored by the ARC Export Trade Advisory Council. The State of Alabama will support programs that will increase export trade in Appalachian Alabama. Each project request for ARC assistance will be considered on a case-by-case basis.

This Development Plan was written with the assistance of the eight Local Development Districts in Alabama: West Alabama Regional Commission, Regional Planning Commission of Greater Birmingham, Top of Alabama Regional Council of Governments, Northwest Alabama Council of Local Governments, North Central Alabama Regional Council of Governments, South Central Alabama Development Commission, Central Alabama Regional Planning Commission, and East Alabama Regional Planning and Development Commission, Mr. David Hughes, ARC Program Analyst, Appalachian Regional Commission, and Jacksonville State University Center for Economic Development.