



Appalachian Regional Commission

**State of Alabama
APPALACHIAN DEVELOPMENT PLAN
2016 - 2019**

**Robert Bentley
Governor**

**Alabama Department
of
Economic and Community Affairs**

Appalachian Regional Commission

In 1960, governors from the Appalachian states, recognizing the economic challenges and persistent poverty of the Appalachian region, came together in an effort to develop a regional approach to address the problems facing the citizens of the Appalachian states. At that time;

- *One of every three Appalachians lived in poverty,*
- *Per capita income was 23 percent lower than the U.S. average, and*
- *High unemployment and harsh living conditions had, in the 1950s, forced more than 2 million Appalachians to leave their homes and seek work in other regions.*

This determined and visionary group formed the Conference of Appalachian Governors to develop a regional approach to resolve these problems and developed a plan which they presented to newly elected President John F. Kennedy, who had seen the abject poverty in the region during campaign trips to West Virginia. President Kennedy formed a federal-state committee in 1963 that became known as the President's Appalachian Regional Commission and directed the group to design a comprehensive economic development plan for the region. The resulting plan was endorsed by the Conference of Appalachian Governors and Cabinet-level officials in 1964 and President Lyndon B. Johnson used this report as the groundwork for legislation which received bipartisan Congressional support. The Appalachian Regional Development ACT (ARDA) was submitted to Congress and passed by a broad bipartisan coalition and signed into law in March of 1965.

In accordance with Section 5.3 of the Appalachian Regional Commission Code, this document serves as the State of Alabama's Appalachian Regional Commission Development Plan for 2016-2019 and establishes the process to develop and advance goals, objectives, strategies, priorities, and policies for Alabama's ARC Region. This plan additionally identifies broad issues and needs that the Governor plans to address with ARC investments in these key areas. The execution of this Plan will provide a comprehensive framework to enhance economic and community development and improve the quality of life for the residents of Appalachian Alabama.

As a regional economic development agency, the Appalachian Regional Commission represents a partnership of federal, state, and local governments, designed to address local needs. The region is composed of thirteen (13) states and includes 420 counties, stretching from southern New York to northern Mississippi. The Commission is composed of governors from the Appalachian states and a Federal Co-Chairman, who is appointed by the President. Governor Robert Bentley serves as Alabama's ARC Commission Member and has assigned the administration of Alabama's ARC Program to the Alabama Department of Economic and Community Affairs (ADECA). ADECA Director Jim Byard, Jr. serves as the Governor's Alternate State Member and is the state-level contact for those seeking ARC funding.

Thirty-seven (37) of Alabama's sixty-seven (67) counties are located within the Appalachian Region. These counties 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.

Federal-State-Local Partnership

The goals of Alabama's ARC Program are implemented through collaborations and partnerships with federal, state, and local economic and community development organizations and multi-county development organizations called local development districts (LDDs). Alabama's LDDs, or Regional Councils of Local Government, play a key role in the implementation of Alabama's ARC program. Governed by boards comprised of elected officials, business people and other local leaders, the LDDs provide invaluable local support and technical assistance.

Alabama's ARC Program staff are privileged to work with eight (8) **Local Development Districts** in ARC project development and implementation. The Executive Directors and staff of Alabama's ARC LDDs work with their board members, elected officials, economic development professionals, and citizens to identify priority needs of their local communities. In turn, the LDDs develop and

implement plans for economic development in their communities which empower local leadership and foster and sustain economic development. Citizen participation in the development of local and regional strategies and this Development Plan is achieved through public hearings conducted by the LDDs.

The LDDs which cover Alabama's ARC region are:

- **Northwest Alabama Council of Local Governments (NACOLG):** Colbert, Franklin, Lauderdale, Marion, and Winston Counties;
- **West Alabama Regional Commission (WARC):** Bibb, Fayette, Hale, Lamar, Pickens, and Tuscaloosa Counties;
- **Regional Planning Commission of Greater Birmingham (RPCGB):** Blount, Chilton, Jefferson, St. Clair, Shelby, and Walker Counties;
- **East Alabama Regional Planning and Development Commission (EARPDC):** Calhoun, Chambers, Cherokee, Clay, Cleburne, Coosa, Etowah, Randolph, Talladega, and Tallapoosa Counties;
- **South Central Alabama Development Commission (SCADC):** Macon County;
- **Central Alabama Regional Planning & Development Commission (CARPDC):** Elmore County;
- **North Central Alabama Regional Council of Governments (NARCOG):** Cullman, Lawrence, and Morgan Counties;
- **Top of Alabama Top of Alabama Regional Council of Governments (TARCOG):** DeKalb, Jackson, Limestone, Madison, and Marshall Counties.

Collaborative partnerships among federal, state and local partners allow for the leverage of resources for a concerted, innovative and accelerated execution of Alabama's ARC program. The program works with federal agencies such as the United States Department of Agriculture, the Economic Development Administration, the Environmental Protection Agency and the Department of Housing and Urban Development. State agency partners include the Department of Commerce, Department of Public Health, Department of Transportation, Conservation and Natural Resources, Labor, Tourism and the Alabama Historical Commission.

ARC Economic Status

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.

ARC funds are allocated to counties within Appalachia using on the index-based county economic classification system. Each of the 420 counties in Appalachia is classified into one of five economic status designations, based on its national ranking. These designations include *Distressed*, *At-Risk*, *Transitional*, *Competitive*, and *Attainment*.

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

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

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

Competitive counties are those that are able to compete in the national economy and rank between the best 10 percent and 25 percent of the nation's counties.

Attainment counties are the economically strongest counties and rank in the top 10 percent of the nation's counties. Shelby County, Alabama has the distinction of being the only **Attainment County** among the 420 counties of the 13 Appalachian states.

The County Economic Classification for Alabama's ARC counties can be found at: <http://www.adeca.alabama.gov/Divisions/ced/Pages/Appalachian-Regional-Commission.aspx>

Regional Profile

Land and Population

According to the 2009-2013 American Community Survey, which measures the changing characteristics of the U. S. population, Appalachian Alabama covers 25,673 square miles and has a population of 3,074,826 which is 64% of Alabama's total population of 4,799,277. Alabama's Appalachian population of 3,074,826 represents 12% of the 13 state Appalachian Regional population of 25,305,488.

Throughout the 13 state Appalachian Region, 18-24 year olds made up less than 7.5% of the population in 101 Appalachian counties, of which 4 of these counties, Cherokee, Lamar, Talladega, and Winston, were in Alabama. Of these counties, 70 were outside metropolitan areas, suggesting a possible lack of opportunities in these communities for youth making the transition to adulthood. In Appalachian Alabama, the percentage of residents ages 65 and over was 14.2%, which was slightly higher than the national average of 13.4% and 1.3% lower than the 15.5% for the Appalachian Region.

Healthcare & Health Outcomes

Healthcare and health outcomes are growing concerns for the citizens of Appalachian Alabama as well as for all of Alabama and the nation and is a priority of this Administration. As Alabama's and Appalachian Alabama's rural

counties experience gains in population, greater demands are placed on hospitals, physicians and the emergency care network. As the quality of health care can be measured by the number of physicians per capita, Alabama faces challenges in the number of physicians providing care in Appalachian Alabama. There are 13 counties in Appalachian Alabama which are designated as geographical Health Professional Shortage Areas (HPSAs) and 16 counties with a low-income designation. Other than certain areas of Etowah, Jefferson, Lauderdale, Madison, Morgan and Tuscaloosa counties, Alabama ARC counties are designated as a Medically Underserved Areas (MUAs) by the U. S. Department of Health and Human Services. Rural hospitals are faced with growing challenges that threaten financial stability and survival. Labor and delivery units are closing throughout the state and only 17 of 54 designated rural counties in Alabama have labor and delivery wards, which is down from 46 in 1980. In many rural areas, first responders are volunteers because the infrastructure of primary care providers is so strained. The first responder system is strained and limited by the availability of its core volunteers. Many of these volunteers work during the day, leaving many portions of the day under-resourced in terms of critical emergency response resources. In Appalachian Alabama 13.9% of the population was not covered by health insurance as compared to 13.7% for the Appalachian region and 14.9% for the nation. In terms of health outcomes, Alabama is included in the Appalachian Regional Commission's "Diabetes Belt.", and like many ARC states, faces the health challenges of obesity and chronic conditions, such as diabetes and high blood pressure

Workforce

The total number of persons Ages 25-64 in the Civilian Labor Force in Appalachian Alabama was 1,177,663 as compared to the State of Alabama's total of 1,808,095. Seventy-two point 6 percent (72.6%) of Civilian Persons Ages 25-64 were in Appalachian Alabama's Civilian Labor Force in comparison with 73.3% for the Appalachian Region and 77.8% of the nation. The unemployment rate in Appalachian Alabama was 8.5%, comparing with Alabama's rate of 8.7% and the Appalachian and National rates of 8.1%.

Education

Educational attainment comparisons of the total population Ages 25 and over showed that 16.9% of the population in Appalachian Alabama had less than a High School diploma, as compared to 14% nationwide. Those with a Bachelor's

Degree or higher in Appalachian Alabama was 23.2% as compared to the State of Alabama's 22.6% and the national figure of 28.8%. These figures represent an improvement in this statistical measure for Alabama from the previous American Community Survey results. Although the share of Appalachian adults with at least a high school diploma was slightly below the national average, it matched or exceeded the national share in 113 counties in the Appalachian Region. In fact, in Appalachian Alabama, 53.2% of the civilian labor force had at least a high school diploma, which is higher than the national share of 48.74% and closer to the Appalachian Region share of 55%. Data suggests indications of a possible connection between educational attainment and labor force participation as in nearly all of the counties where labor force participation levels were at or above the national rate of 77.8%, the share of working-age adults with at least a high school diploma also matched or exceeded the U. S. average of 49.4%. Appalachian Alabama data supports this correlation, with 72.6% civilian labor force participation.

Income

The median household income in Appalachian Alabama was \$44,456 compared to \$43,253 for the state and \$53,046 for the nation. The percent of persons in the Alabama Appalachian region in poverty for all ages was 17.3% as compared to the Appalachian percentage of 17% and the national percentage of 15.4%. The figures for those persons under age 18 living in poverty were 25.3% in Appalachian Alabama as compared to 24.1% for the Appalachian region and 21.6% for the nation. These figures are somewhat higher than previous ACS findings and not surprisingly, median household income was lower for the most rural counties. This increase is most likely a result of the inability of incomes in the post-recovery period to completely return to pre-recession levels. Again, statistics show that the higher child poverty rates were in counties outside metropolitan areas in the most isolated rural areas.

In summary, the strategies that help address gaps in: healthcare and health outcomes; education attainment; alignment of workforce training resources with business and community needs; income levels; poverty levels— particularly in rural, isolated areas; and __ will also help further the economic growth of the Appalachian Alabama region.

Economic Outlook — Recent Achievements

Alabama's economy continues to recover from the recession, and although the state's recovery had been somewhat slower in the most recent years, 2015 showed improvement in several sectors and statistics show that Alabama's economy is as it should be following an economic recovery. Business executives and industry analysts remain solidly optimistic about the prospects for Alabama's economy for the first quarter of 2016 and beyond. The Center for Business and Economic Research at the University of Alabama forecasts steady growth in Alabama's Gross Domestic Product from 2016-2019 at 3% over the 4-year period. Alabama gained 28,600 nonfarm jobs in 2015, employing 2,010,873 workers in September 2015, up 1,994,980 from September 2014. Total tax revenues rose by 4% in 2015, up \$377 million, to total \$9.8 billion, which was a significant increase from 2014. Corporate tax receipts were up 20.9%, showing an increase of \$98 million for a total of \$567.4 million, while individual income taxes were \$3.9 billion, reflecting a 4.7% increase from the previous year. An improvement in both consumer and business spending resulted in a 3.5% increase in sales tax receipts, which totaled \$2.2 billion. Over the twelve-month period ending in September 2015, Alabama enjoyed job growth, gaining a net 28,600 jobs. Growth in durable goods manufacturing showed that the majority of the job growth was within industries associated with motor vehicle manufacturing, machinery manufacturing, aerospace products, and motor vehicle parts manufacturing. Many areas of Appalachian Alabama were fortunate to share in these job gains, including; Calhoun, Jefferson, Madison, Morgan, Tuscaloosa, and Talladega Counties.

Appalachian Development Highway System

Congress established the Appalachian Development Highway System (ADHS) as the centerpiece of ARC's economic and community development program. The ADHS was designed to provide an efficient transportation system to economically and physically connect Appalachia to the rest of the nation. The ADHS is currently authorized at 3,090 miles and Alabama's Appalachian Region has 295.7 miles eligible for ADHS funding. Completion of the ADHS will enhance economic growth and community development in Appalachian Alabama. Alabama has completed 152.4 miles of the ADHS, providing major new connections to Memphis, Tennessee in the west, Atlanta, Georgia in the east, and

to the Tennessee state line near Bridgeport in the north. Corridor X, which runs between I-65/I-59 in Birmingham and Itawamba, County Mississippi, provides an important alternative to U.S. Highway 78, a major east-west corridor in the area. Corridor X provides full access to Interstate standard highways to numerous small communities subject to heavy automobile and truck traffic levels. 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 now being developed 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.

ARC Strategic Plan “Investing in Appalachia’s Future”

The Governors of the 13 Appalachian states and ARC’s Federal Co-Chair approved the Appalachian Regional Commission’s 2016-2020 Strategic Plan, “Investing in Appalachia’s Future” in 2015. This plan identifies the mission and vision of the Commission and provides guidance and strategies to capitalize on Appalachia’s great opportunities.

Alabama’s ARC program will utilize this plan in implementing its ARC investment activities in Alabama’s 37 ARC counties. Appalachian Alabama has a foundation of valued cultural and natural assets as a base for economic growth. By using these strong assets as building blocks and capitalizing on new economic opportunities in emerging and growing sectors, Appalachian Alabama can advance the region and provide for sustained economic growth and enriched lives for its citizens.

EMERGING OPPORTUNITIES & REGIONAL PRIORITIES

Alabama's economy continues to recover from the recession, and although slower than anticipated, business executives and industry analysts remain solidly optimistic about the prospects for Alabama's economy for 4th quarter 2015 and for 2016. The state's economy is estimated to grow by approximately 2.2 percent and state tax revenues are expected to grow around 4 percent. Appalachian Alabama faces challenges as it moves into 2016, as primary and fabricated metals manufacturers and coal producers have experienced significant job losses. Walter Energy works to emerge from Chapter 11 bankruptcy as the industry and workers contend with jobs lost in the closure of coal-fired power plants. Conversely, other areas and business sectors, particularly automobile and parts manufacturers, continue to remain the region's and the state's major economic drivers. The State of Alabama produced nearly one million automobiles worth approximately \$6 billion in 2014. These contrasting circumstances provide timely opportunities to pursue Governor Bentley's design for sustained economic growth and community development.

Employment of Governor Bentley's concept of "*Local Leadership–State Partnership*" will utilize ARC funds to provide communities in Appalachian Alabama:

ACCESS to the necessary resources and technical assistance to;

ADVANCE efforts to build community capacity for strategic planning and collaboration in order to;

ACCELERATE the implementation of plans and initiatives which particularly provide infrastructure; improve education, skills and health of community residents; and leverage cultural and natural assets to allow the people to compete in the global economy.

Alabama's ARC Program will help *advance* the efforts of Governor Bentley's recently established Alabama Small Business Commission and Alabama Workforce Council, whose work aligns with ARC goals and objectives. The Alabama Small Business Commission (ASBC) encourages innovation, collaborates on critical issues relative to the growth of small businesses, and promotes policies to assist new business start-ups and expansion of existing businesses. The ASBC provides business owners *access* to resources through its Atlas Alabama website <https://atlasalabama.gov> and provides information and links to city, state, federal and other resources for businesses and entrepreneurs.

Created at the recommendation of Governor Bentley's Career Readiness Task Force, the Alabama Workforce Council (AWC) fosters collaboration between government, industry and education. Composed of Alabama's world-class industry leaders from companies such as Airbus America and Mercedes-Benz, as well as innovative educators, the Alabama Workforce Council works to harness and maximize expertise and resources to deliver an *advanced* and well-trained workforce that will power Alabama's economic future. Appalachian Alabama has some of the top business incubators in the country, such as the Shoals Entrepreneurial Center, Bessemer Business Incubation System and the Innovation Depot in Birmingham. ARC resources will be used to partner with these innovative programs and work with other programs such as The EDGE in Tuscaloosa to provide opportunities to grow and *accelerate* new businesses in emerging sectors.

Targeted Investment Priorities

- *Access* to advanced placement, STEM and STEAM programs, and Advanced and Innovative skills training for a highly skilled, healthy and ready workforce in Appalachian Alabama
- Investment in critical infrastructure to provide for sustained economic growth, including water, sewer and waste water projects as well broadband and technological infrastructure
- Investment of resources in projects which preserve, strengthen and sustain natural, historical and structural assets for community revitalization and growth of the local and regional economies
- Provide communities access to resources that will enable them to build local leadership capacity, strategically utilize existing assets and partner with regional efforts to grow local and regional economies

Targeted investment priorities will work with established partners, such as Beville State Community College, Wallace State-Hanceville, A+ Education Partnership, and others to prepare students for postsecondary education and the workforce. Investment in programs which develop and support career specific education and skills training, in growing employment sectors such as *advanced* manufacturing, will prepare students for a successful transition from secondary school to the workforce. Projects which offer *access* to STEM and STEAM training will equip students for successful post-secondary education and allow them to take advantage of job opportunities in Alabama's growing aerospace, health, and research and development sectors. Eligible projects could include programs that provide students and workers with cutting-edge technological training, to prepare them for either successful post-secondary education or direct placement into

high-wage and high-demand careers in Alabama's *advanced* manufacturing industry.

Investments in infrastructure projects, to include basic infrastructure such as water and sewer, as well as technological infrastructure including telecommunications and broadband, will ensure that communities in ARC counties will be able to implement community objectives which will *advance* and *accelerate* economic growth. Priority investments will provide for the development of new jobs from existing industries, recruitment of jobs from new industries, and, pursuant to the ARC Residential Service Policy, demonstrate a compelling need such as the location of the project in a distressed area of the county, disaster relief, or to address a mandate of the Federal EPA or a state health or environmental agency. Eligible projects would retain or create new jobs and have a direct impact on the local and regional economy and might include site preparation or installation or extension of water, sewer or gas lines for the expansion of an existing industry or for a new industry.

Alabama's ARC program will invest resources in plans and projects which preserve and strengthen Appalachian Alabama's natural and cultural assets. The program will continue to work with partners such as Alabama Mountain Lakes Tourism in providing *access* to resources for the growth of local and regional economies and utilization of these assets in educational and stewardship programs. Investments in projects which help sustain and grow agriculture and integrate production into the local economy will continue as will investments which revitalize communities and enrich local economies, such as gateway communities and downtown revitalization, preservation for development, and street scape projects. Eligible projects could include programs which combine and integrate the ecological, environmental, economic, and sustainability components of a natural asset such as a canyon, forest or river; or the preservation of a historic downtown building which might house an educational program or business incubator to spur economic growth.

Established partnerships and further collaboration will maximize ARC resources to enhance existing programs that develop, support and enhance community development and leadership. Priority investment consideration will be given to programs that *access* innovative and relevant curriculums and components and include strategic thinking, leadership skills and problem-solving. Efforts will focus on approaches that build the capacity of community organizations to develop and support networks and partnerships which are tied to a county, regional or state plan. Eligible projects could include training for a multi-county

strategic plan or age-integrated community leadership training that maximizes the fusion of the experience, life lessons and best practices of baby-boomers with the innovation, creativity and *accelerated* foresight of millennials.

The Alabama ARC program will work to expand essential economic and community development strategies in its two *Distressed* counties, Hale and Winston. ARC resources will be used to fully engage the LDDs which serve these counties and strengthen partnerships with existing regional and local partners to develop projects which profoundly and fully impact their communities. Specific strategies and objectives for *Distressed* counties will include:

Provide crucial infrastructure for economic development and access to an adequate, affordable and safe water supply:

- Invest in projects and partnerships that fully leverage local, state and federal support for infrastructure provision or improvements.

Strengthen Workforce Development and Enhance Educational Opportunities:

- Continue and expand local and regional partnerships which provide students access to advanced placement courses, including A+ Education Partnership and accessing resources of the Appalachian Higher Education Network
- Provide students and incumbent workers advanced manufacturing and other skills training for high-skilled/high-pay careers in growing sectors through continued collaboration with Beville State Community College, the University of Alabama, HERO, Shelton State and The Edge in Tuscaloosa.
- Work with community and regional partners to provide access to quality health care through community health organizations and educational programs such as Diabetes Coalitions and Rural Health Scholars and Resident programs

Leverage Natural, Cultural, Historical and Structural Assets to Revitalize downtowns and grow the local economy

- Work with organizations such as HERO, Project Horseshoe Farm, Rural Studio, and others to continue their efforts in the restoration of existing historic structures for retail development, business incubators, and business growth and development.
- Engage LDDs and other state and federal partners in exploring opportunities to capitalize on natural assets in these distressed counties, such as Bankhead National Forest and Moundville State Archeological Park.

Grow and build community capacity to conduct and implement strategic economic and community plans for sustained growth:

- Support innovative and progressive leadership and community training programs that include strategic and critical thinking, problem-solving skills and best practices.
- Grow and support youth and adult community and leadership programs, such as YouthBuild, which build community capacity and contain Train the Trainer components to foster sustainability and provide for continued review, analysis and corrective action.

State Strategic Goals and Objectives

The following is Alabama's integration of its objectives and strategies to further ARC's goals:

- A. **ARC Investment Goal 1: Economic Opportunities – Invest in entrepreneurial and business development strategies that strengthen Appalachian's economy.**

State Objective 1.1: Stimulate growth of the region's businesses.

State Strategy 1.1.1: Support efforts to improve access to capital for small and medium-sized business including entrepreneurial activities.

State Strategy 1.1.2: Support new education programs providing skills needed by industries.

State Strategy 1.1.3: Assist in the provision of infrastructure to support the development of new industry or expansion of current industries.

State Objective 1.2: Increase international exports from the ARC region.

State Strategy 1.2.1: Support programs that will increase goods and services exported from Appalachian Alabama.

State Objective 1.3: Assist redevelopment of central business districts (CBD) and support projects which will enhance the long-term development of the CBD areas.

State Strategy 1.3.1: Develop projects that encourage the reuse and/or the redirection of the use of downtown areas.

State Strategy 1.3.2: Assist in the provision of necessary infrastructure for reuse and/or improvement of downtown areas.

State Objective 1.4: Support business expansions, start-ups and entrepreneurship.

State Strategy 1.4.1: Support businesses through Small Business Development Center programs.

State Strategy 1.4.2: Support programs that do not duplicate existing services but fill gaps in the existing entrepreneur network.

State Strategy 1.4.3: Support programs that assist entrepreneurs in market/business development including business incubators and accelerators.

B. ARC Investment Goal 2: Ready Workforce – Improve the education, knowledge, skills, and health of residents to work and succeed in Appalachia.

State Objective 2.1: Increase Educational Attainment and Achievement.

State Strategy 2.1.1: Support programs that reduce the school dropout rate.

State Strategy 2.1.2: Support initiatives that utilize telecommunications, computers, distance learning, and other technological capabilities to deliver education and training programs.

State Strategy 2.1.3: Support programs that teach and encourage youth entrepreneurship.

State Strategy 2.1.4: Strengthen programs that provide or enhance science, technology, engineering, arts, and mathematics (STEAM) training.

State Objective 2.2: Increase 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 especially in the field of advanced manufacturing.

State Strategy 2.2.2: Support workforce readiness programs that provide skills necessary to acquire jobs with emphasis on preparedness for high growth/high demand industries.

State Strategy 2.2.3: Strengthen basic skills programs in public schools including opportunities for dual enrollment and apprenticeships.

State Strategy 2.2.4: Support programs increasing adult literacy.

State Objective 2.3: Promote Healthcare Initiatives.

State Strategy 2.3.1: Support educational programs that train health-care professionals who will locate in Appalachian Alabama.

State Strategy 2.3.2: Support programs to provide primary health care to Appalachian citizens.

State Strategy 2.3.3: Support the development of health career education pathways linking students at all grade levels – primary, secondary, post-secondary, and post-graduate – and encouraging them to pursue health career training in Appalachian Alabama.

State Strategy 2.3.4: Pursue healthcare workforce development initiatives that tailor training programs to the needs of workers, patients, and healthcare institutions in rural communities and other underserved areas.

State Strategy 2.3.5: Invest in the physical infrastructure needed to expand and sustain primary health care services, including equipment, telemedicine facilities, and electronic medical records systems.

State Strategy 2.3.6: Support programs to prevent teen pregnancy.

State Strategy 2.3.7: Support projects that expand access to health services through telemedicine applications.

State Strategy 2.3.8: Support and expand efforts to increase the effectiveness of community coalitions and partnerships which address regional and community healthcare issues.

c. ARC Investment Goal 3: Critical Infrastructure – Invest in critical infrastructure – especially broadband; transportation, including the Appalachian Development Highway System; and water/wastewater systems.

State Objective 3.1: Assist in the development of a modern communications/broadband network that includes voice, data, and video.

State Strategy 3.1.1: Assist in providing the basic infrastructure necessary for the public and private sector to work together in developing and maintaining a communication/broadband network.

State Strategy 3.1.2: Support efforts to link new and existing telecommunication networks.

State Strategy 3.1.3: Support training in the public, private, and non-profit sectors in Appalachian Alabama in the use of new technologies and applications.

State Strategy 3.1.4: Encourage strategic investment in telecommunications infrastructure, including the use of fiber optic cable in basic infrastructure projects that increases local, regional, and global connectivity.

State Objective 3.2: Assist in the development a balanced transportation system, which reduces isolation in the region.

State Strategy 3.2.1: Work with state and local partners to identify and develop intermodal transportation facilities.

State Strategy 3.2.2: Support programs to encourage the expanded use of existing intermodal facilities.

State Strategy 3.2.3: Extend rail spurs into industrial areas, with a priority on those that serve multiple sites.

State Strategy 3.2.4: Support efforts to complete Corridor X.

State Strategy 3.2.5: Support efforts to complete Corridor V.

State Objective 3.3: Support building and enhancing basic infrastructure including water and sewer.

State Strategy 3.3.1: 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 3.3.2: Pursuant to ARC's residential service policy, ensure public health, regulatory compliance, and economic opportunity by assisting in the providing of 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 3.3.3: Pursuant to ARC's residential service policy, ensure public health, regulatory compliance, and economic development by assisting in the providing of 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 3.3.4: Support the development and construction of strategic public facilities to include business incubators and accelerators that will enhance opportunities for job creation and retention.

State Strategy 3.3.5: Encourage and support the use of the latest technology upgrades for schools and other eligible facilities.

D. ARC Investment Goal 4: Natural and Cultural Assets – Strengthen Appalachia’s community and economic development potential by leveraging the Region’s natural and cultural heritage assets.

State Objective 4.1: Support the increase of employment and sales in the travel and heritage tourism industry, particularly in the areas of outdoor recreation, convention attractions, and historical interest.

State Strategy 4.1.1: Support strategic marketing programs for the travel and tourism industry.

State Strategy 4.1.2: Support the strategic development of heritage tourism by investing in downtown redevelopment, gateway communities, historic districts and other unique local community features.

E. ARC Investment Goal 5: Leadership and Community Capacity – Build the capacity and skills of current and next-generation leaders and organizations to innovate, collaborate, and advance community and economic development.

State Objective 5.1: Enhance the capacity of local municipalities to plan for economic and community development.

State Strategy 5.1.1: Support local entities to develop and maintain programs that train residents, including primary through

undergraduate students of the region in economic and community development.

State Strategy 5.1.2: Support local entities to develop and maintain economic and community development plans.

State Objective 5.2: Support provision of training opportunities to enhance the leadership skills of local officials and private nonprofit groups tasked with providing services to the community.

State Strategy 5.2.1: Assist in development of programs that provide training in leadership development to residents, including primary through undergraduate students of the region.

Achieving Alabama's ARC Development Plan Goals

The Alabama ARC Program is committed to assisting Governor Bentley in fulfilling his vision of bringing Alabama's Appalachian Region into socioeconomic parity with the rest of the nation. The Governor's priorities include:

- Ensuring Alabama remains a leader in recruiting new industry, while helping existing businesses continue to grow and expand in order to increase the number of highly skilled, well-paying jobs the people of Appalachian Alabama need and deserve.
- Improving existing, and creating new workforce development, education, and health programs preparing the Region's current and future workforce to succeed in high technology, advanced manufacturing, and other highly skilled job opportunities, especially in high growth/high demand industries.
- Building and maintaining basic and high technology infrastructure to ensure current and prospective residents, businesses, and industries are poised to enjoy modern and competitive resources for competing in the global economy.
- Preserving and strengthening the community and economic development potential of the Region's natural and cultural heritage through improvement and marketing of downtown and historic districts, gateway communities, and other unique local community features.
- Assisting creation and enhancement of programs that provide training in leadership development to residents, including primary through undergraduate students of the region in order to ensure the long-term viability of Appalachian communities.

The State's ARC program will give special consideration to eligible, feasible, sustainable projects that reflect Governor Bentley's priorities.

Limited resources prevent any one program from achieving the positive impact the Governor desires for Alabama's Appalachian region. As such, the State's ARC program is committed, when possible, to partnering with other Federal, State, local and non-profit programs, including but not limited to: the Community Development Block Grant Program, Alabama Department of Transportation, U.S. Department of Agriculture, U.S. Environmental Protection Agency, Alabama Community Colleges, Boards of Education, etc. to leverage as much non-ARC funding as is feasible to provide as much assistance to Alabama's Appalachian region as possible.

General Information

- Proposals for the construction of schools, libraries, community centers, government offices, correctional facilities, cemeteries or other similar facilities which are customarily provided by local governments are not eligible for ARC funding.
- The maximum investment of ARC funds in a project is \$200,000. This ceiling may be waived in certain critical and compelling circumstances.
- ARC funds will not be used for projects that duplicate funding available from other established state funded programs.
- Project overruns will not generally be considered for additional ARC funding.
- When project under runs occur, ARC funds will generally be de-obligated, returned, and made available for other eligible projects. A request for proportional reduction will be given consideration in projects with under runs.
- Generally, ARC projects are funded for one year, but may be funded up to three years, depending on project performance, expansion of services or added components. Funding is reserved and allocated for one year, and grantees must submit a proposal each year.
- Construction projects should include a preliminary commitment of jobs provided by the employer, a preliminary engineering report and an economic impact summary.
- All project applications must include achievable and measurable performance outputs and outcomes and must address ARC Goals and Investment priorities.

General Funding Timelines and Procedures

- Generally, Pre-Applications are due during the month of September or by October 1.
- Applications are reviewed and rated by Alabama ARC staff according to ARC guidelines. Applications are reviewed and rated by Alabama ARC staff according to ARC guidelines. Submissions are analyzed for relative need, capacity for grant management and successful program implementation, and sustainability. In addition to targeted investment priorities for Distressed counties, priority will also be given to projects that address economic development, education and skills training, workforce development and critical infrastructure. Projects selected for reserved funding are recommended to ADECA management for further review and the Governor makes final recommendations for full project submissions.
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- Proposals which are reserved for funding and invited to submit full applications are usually notified during the first week of November.
- Full ARC project submissions are normally due in mid-January.
- Applicants are strongly encouraged to work with their local LDD or Regional Council of Government for Technical Assistance with Pre-Applications or Full Submissions.

The Alabama ARC Program generally conducts either a Pre-Application Workshop during the summer or a Full Application/Compliance Workshop after project funds have been reserved.

All required forms and information related to Alabama ARC funding can be found at:

<http://www.adeca.alabama.gov/Divisions/ced/Pages/Appalachian-Regional-Commission.aspx>

For questions or additional information, please contact Alabama ARC Program Manager, Al Jones at 334-353-2028.

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 Business Development Analyst, Ms. Julie Lawhorn, ARC Infrastructure Program Analyst, the Appalachian Regional Commission, and the Center for Business and Economic Research at the University of Alabama.