Ohio | Department of Development

Governor's Office of Appalachia

State of Ohio Four-Year Appalachian Development Plan, 2011-2014

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Contents

Introduction

The State of Ohio submits this state development plan in compliance with the requirements set forth in Chapter 5 of the Code of the Appalachian Regional Development Commission (ARC). The *State of Ohio Four-Year Appalachian Development Plan, 2011-2014* describes the Governor's goals, objectives, and priorities for Ohio's Appalachian region and serves as a guidance document for the Governor's Office of Appalachia (GOA) and Ohio's four Local Development Districts (LDDs) through 2014. The goals, objectives, and priorities presented are designed to address the unique needs of the Appalachian region by supporting local, regional, and federal initiatives that contribute to the economic, educational, and community prosperity of the people of Ohio's 32 Appalachian counties using funds from the ARC and from the State of Ohio to leverage other investments.

Ohio's development plan and strategy statements relate to and are organized around ARC's four strategic goals:

1. Increase job opportunities and per capita income in Appalachia to reach parity with the nation.
2. Strengthen the capacity of the people of Appalachia to compete in the global economy.
3. Develop and improve Appalachia's infrastructure to make the Region economically competitive.
4. Build the Appalachian Development Highway System to reduce Appalachia's isolation.

Ohio's four-year Appalachian development plan includes:

- An overview of Ohio's Appalachian region, in categories including:
    - geography
    - population
    - education
    - economics
    - healthcare
    - travel and tourism
    - Appalachian Development Highway System
- Ohio's ARC process, including:
    - its Appalachian development and planning organizations,
    - a description of the roles of LDDs and citizens in developing and implementing the development plan, and
    - Ohio's coordination process, including allocation methods
- An overview and assessment of the region's economic needs--current gaps, strengths, and recent achievements in relation to ARC's four goal areas
- Highlights of Governor Kasich's initiatives with special relevance to Ohio Appalachia and in relation to ARC's four goal areas
- Discussion of regional initiatives, including
    - telecommunications
    - distressed counties and areas

Overview of Ohio's Appalachian Region

The Appalachian Ohio region consists of 16,011.5 square miles – slightly more than 39 percent of the land area of the state. Ohio's 32 contiguous Appalachian counties stretch from the far-eastern suburbs of Cincinnati along the Ohio River in the southern and eastern quadrants of the state and as far north as Lake Erie along the Ohio/Pennsylvania border. The counties are: Adams, Ashtabula, Athens, Belmont, Brown, Carroll, Clermont, Columbiana, Coshocton, Gallia, Guernsey, Harrison, Highland, Hocking, Holmes, Jackson, Jefferson, Lawrence, Mahoning, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Pike, Ross, Scioto, Trumbull, Tuscarawas, Vinton, and Washington.

Historically characterized as economically depressed and geographically isolated, the Appalachian region has been home to a self-reliant and independent people with strong ties to the land and to their families. ODOD's Policy Research & Strategic Planning Office provides annual profiles of the state and each county and also of Ohio's Appalachian region. Copies of the most recent Ohio profile and Ohio Appalachian profile, published in March 2011, are included as Attachments A and B, and sections of the profiles are highlighted in this overview section.

<u>Geography</u>

Approximately one-third of Ohio is designated as Appalachian. The region stretches from the eastern edge of Cincinnati, east along the Ohio River and north along the Pennsylvania border to Lake Erie (Figure 1). The 32 Appalachian counties include medium- and large-sized cities and metropolitan areas, smaller cities, and small villages and unincorporated communities; farmland, rural communities, and urban and industrial areas; steep terrain, rolling hills, plains, and river valleys; state and national forests, parkland, and river- and lake-front communities.

Only 3.71 percent of the region is described as urban, having land use and land cover that consists of residential, commercial, industrial, transportation, and urban grasses. Of the remaining 96.29 percent of Ohio Appalachia's land cover, the highest percentage – 64.32 percent – is forested; 19.08 percent is cropland, and 10.69 percent is pasture. The remaining 2.20 percent of the region is classified as wooded or herbaceous wetlands, open water, and bare or mine lands. Statewide, the 37.12 percent of forested land is heavily concentrated in the 32 Appalachian counties.

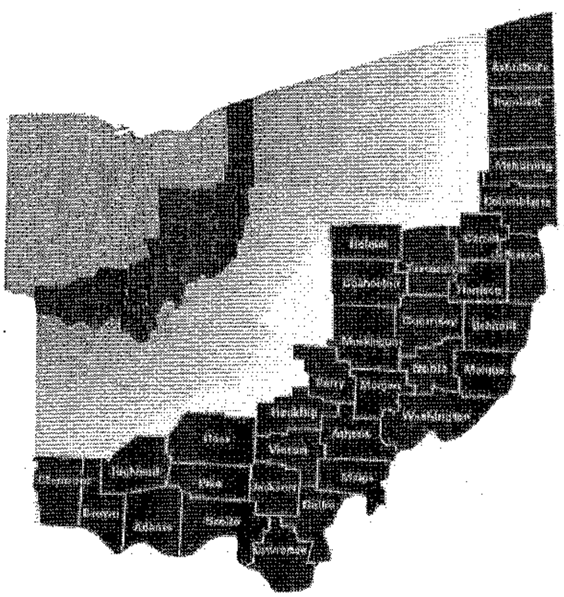

Figure 1 – Appalachian Ohio

Ohio's Appalachian region is more sparsely populated than the rest of the state. The 2010 Census lists Ohio as twelfth among the 50 states in population density, with 282.3 people per square mile. Based on data from ODOD's Appalachian and Ohio profiles, the population density for the Appalachian region is found to be 127.5 people per square mile, and calculated for the non-Appalachian region – the remaining 56 counties – it is 380.7 people per square mile.

Of Ohio's 10 largest places, based on the 2010 Census figures, only one is in the Appalachian region. The City of Youngstown in Mahoning County is ranked ninth among the state's largest places, with a population of 66,982. The populations of nine of Ohio's 10 largest places decreased significantly between the 2000 Census and the 2010 Census, with Youngstown reporting the largest percentage decrease – 18.3 percent.

Based on 2008 population figures from the U.S. Census, 61.0 percent of Ohio's Appalachian residents live in unincorporated areas—in rural and suburban township areas. The remaining 39.0 percent reside in incorporated villages, cities, or two urbanized townships in northeast Ohio identified as Census Designated Places (CPDs). In 2008, the four largest urban areas in Ohio Appalachia were the City of Youngstown (72,425 at that time), Boardman Township (38,981), and Austintown Township (34,921), all located in Mahoning County, and the city of Warren (43,402), which is in Trumbull County.

Based on 2008 population figures from the U.S. Census Bureau, the 32-county region includes 268 incorporated communities and two CDPs, with populations ranging from 27 to 72,425. Figure 2 shows the number of incorporated communities within 11 population ranges.

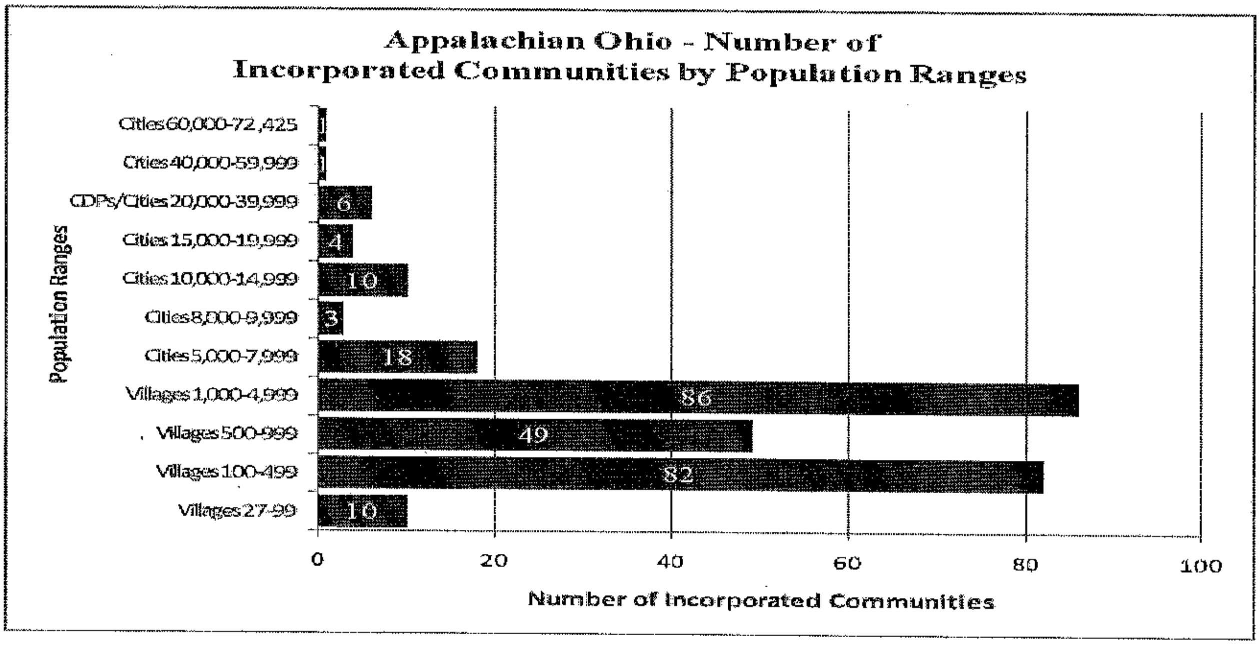

Figure 2 – Appalachian Ohio's Incorporated Communities

Ohio's 32 Appalachian counties include a total of 525 townships, according to 2000 Census information compiled by the Ohio Township Association. These townships, combined with the counties and municipalities, account for a total of 825 local governments serving the Appalachian region of Ohio.

Population

With a population of 2,042,040, Appalachian Ohio represents 17.7 percent of Ohio's total population of 11,536,504.

Based on 2000 and 2010 Census figures, the population of Appalachian Ohio has remained stable, increasing by only 1,328 in 2010 – a growth rate even lower than Ohio's annualized percent change of +0.16 percent (see Attachment C). As in other regions of the state, the county-by-county population changes from 2000 to 2010 have been varied. Seven Appalachian counties are among the 21 Ohio counties with the greatest population losses during the past decade. They are Trumbull, Mahoning, Columbiana, Jefferson, Guernsey, Monroe, and Washington. Only one Appalachian County, Clermont, is among the 10 counties exhibiting the greatest population increases in Ohio between 2000 and 2010.

The Census 2010 data shows that Ohio's Appalachian population has a higher median age--39.4-- than the state as a whole--37.9. The percentage of the Appalachian population 65 years of age and older is

15.0 percent, which is 1.4 percentage points higher than the percentage of Ohioans who are 65 years of age or older.

Education

The *County Profile* series provides educational attainment rates for Ohio Appalachia, showing that 83.6 percent of the population 25 years of age and older are high school graduates. This is a significant improvement over the figure derived from 2000 Census data, which was 79.3 percent. However, based on the 2010 Census, the figure for Appalachia Ohio is 3.2 percent lower than the state as a whole.

The gap between the population in Ohio Appalachia and the state as a whole that hold college degrees at the associate level or higher is significantly wider. In Ohio, 30.7 percent of the population age 25 and over hold a degree, compared to 21.7 percent among the same age group in Appalachian counties. The gap is wider when the population with some college classes but no degree is included in the calculation: Ohio, 50.5 percent; Appalachia, 39.7 percent.

For persons 25 years of age or older hold a bachelor's degree or higher, the State of Ohio ranks 37th among the 50 states and the District of Columbia (Persons 25 Years Old and Over with a Bachelor's Degree or More, 2008)[1]. The rate of attainment of a bachelor's degree or higher in Ohio Appalachia – 14.9 percent – is significantly lower than the lowest ranking state, West Virginia, at 17.1 percent. All counties in West Virginia are designated as Appalachian; it is the only state to hold that distinction.

Economics

Per capita income in Ohio Appalachia is consistently lower than the per capita income statewide, as shown in Table 1.

Per Capita Personal Income	**2005**	**2006**	**2007**	**2008**	**2009**
Ohio	$32,412	$33,975	$35,121	$35,952	$35,408
Appalachian Ohio	$26,537	$27,791	$28,791	$29,630	$29,665

Table 1 – Comparison of Ohio and Appalachian Ohio Per Capita Income, 2005-2009

The unemployment rate for Ohio's Appalachian region consistently exceeds the statewide rate, as shown in Table 2.

Annual Unemployment Rates	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Ohio	5.9%	5.4%	5.6%	6.6%	10.2%	10.1%
Appalachian Ohio	6.8%	6.2%	6.3%	7.2%	11.8%	11.5%

Table 2 - Comparison of Ohio and Appalachian Ohio Annual Unemployment Rate, 2005-2010

ARC tracks 3-year average unemployment rates for Ohio and for its Appalachian region, which are shown in Table 3.

3-year Average Unemployment Rates	**2003-2005**	**2004-2006**	**2005-2007**	**2006-2008**	**2007-2009**
Ohio	6.1%	5.8%	5.6%	5.9%	7.5%
Appalachian Ohio	7.1%	6.8%	6.4%	6.6%	8.4%

Table 3 - Comparison of Ohio and Appalachian Ohio 3-year Average Unemployment Rates

Based on 2010 Census figures, 12.1 percent of families in Appalachian Ohio were living below the poverty level, compared to 10.0 percent of families in the state of Ohio (see Attachment A and B). Both figures are up from the poverty rates reported from the 2000 Census--9.9 percent for Appalachia and 7.8 percent for the State of Ohio[2].

In *The State of Poverty in Ohio*, a report prepared for the Ohio Association of Community Action Agencies by Community Research Partners and issued in January 2010, Ohio's Appalachia is recognized as an area with high and growing levels of poverty.[3] Intended to provide a snapshot of economic conditions in Ohio, *The State of Poverty in Ohio* report derives its data from more than 20 sources, including state agencies, private research, and advocacy organizations, and the U.S. Census Bureau. Ohio's 12 Economic Development Regions (EDRs), established in 1991, are used as the primary geographic level of analysis for the report. Three of the EDRs are the equivalent of three of Ohio's LDDs. EDR 12 (Northeast) serves the three Eastgate counties, EDA 10 (East Central) serves the 10 counties of OMEGA, and EDA 11 (Southeast) serves the eight counties of the Buckeye-Hills Hocking Valley Regional Development Commission. EDA 7 (Southern) is roughly the equivalent of OVRDC, serving 10 of the 11 Appalachian counties that make up the OVRDC district. The exception is Clermont County, Ohio's most western Appalachian county, which is part of EDA 5. While the western section of Clermont County is more closely aligned with Hamilton County, the geography and economic conditions of the eastern and southern regions of Clermont County are more similar to Adams and Brown counties.

The State of Poverty in Ohio provides the following analysis of recent Ohio poverty trends:

> *Most regions enjoyed relatively low poverty rates in 1999. Since then, the Northeast and Southwest Central EDRs have experienced the largest percentage point increases. By 2007, all regions had poverty rates over 10%, with the Appalachian regions (Southeast and Southern) having over 18%. These two regions have historically had the highest rates. The Northeast EDR, on the other hand, had one of the lowest regional poverty rates through the 1970s, but now has a rate 84% greater than in 1969* (see Table 4).

Poverty Rates (%) by Ohio EDR, 1979 – 2007							
ED Region	**Appalachian Equivalent**	**1969**	**1979**	**1989**	**1999**	**2006**	**2007**
1 – Central	N/A	10.9%	11.1%	11.9%	9.9%	13.3%	13.4%
2 – Northwest	N/A	9.2%	9.9%	12.1%	10.7%	13.2%	13.3%
3 – West	N/A	9.1%	8.4%	9.4%	8.6%	10.3%	10.3%
4 – SW Central	N/A	8.5%	10.2%	11.4%	9.7%	12.8%	12.8%
5 – Southwest	N/A	10.4%	10.4%	11.7%	9.8%	12.0%	11.3%
6 - North	N/A	9.2%	9.6%	11.2%	9.6%	11.9%	1.6%
7 – Southern	**OVRDC**	**20.9%**	**16.2%**	**22.1%**	**16.1%**	**19.6%**	**18.2%**
8 – Northern	N/A	9.0%	10.0%	12.1%	11.2%	13.4%	13.4%
9 – NE Central	N/A	8.1%	8.6%	11.1%	8.9%	11.5%	11.4%
10 – East	**OMEGA**	**12.4%**	**10.6%**	**15.3%**	**12.5%**	**15.4%**	**14.5%**
11 – Southeast	**BH-HV RDD**	**18.1%**	**14.3%**	**20.3%**	**16.6%**	**19.0%**	**18.9%**
12 - Northeast	**Eastgate**	**8.5%**	**9.6%**	**14.2%**	**11.6%**	**14.5%**	**15.6%**

Table 4 - adapted from Table 2, Page 6, *The State of Poverty in Ohio*, January 2010

Healthcare

The *County Profile* series reports on several data related to health and healthcare issues. Some of that information is summarized in Table 5.

	State of Ohio	Appalachian Region
Vital statistics		
Rate of births/ per 1,000 women aged 15-44	65.0	62.9
Rate of teen births/ per 1,000 females 12-19	41.0	43.2
Rate of deaths per 100,000 population	925.6	967.3
Healthcare		
Physicians (MDs & DOs) per 1,000 residents	2.58	1.38
Adults w/employer-based insurance	62.5 %	56.4%
Children w/ employer-based insurance	63.6%	55.4%

Table 5 – adapted from the *County Profile* series, Attachments A and B

The Health Policy Institute of Ohio (HPIO) used data from the 2008 Ohio Family Health Survey (OFHS) to identify regional health disparities among Ohio's Metropolitan, Suburban, Rural, and Appalachian counties. Among the findings reported by HPIO about the 7.2 million adults (ages 18-64) in the study area was that "adults in Appalachian counties were more likely than those in Metropolitan counties to live in poverty, lack a high school diploma, not be working, be uninsured, have unmet health needs, consider themselves in poor health, and have adverse health outcomes." The HPIO report discusses the health disparities in Ohio Appalachia in categories including the healthcare system, health behaviors and risks, and socioeconomic factors.[4]

Access to healthcare facilities is another factor in health disparity. The Ohio Department of Health (ODH) tracks Ohio's shortage of primary care, dental care, and mental healthcare providers by identifying shortage areas "...that have gone through the process of being designated a federal Health Professional Shortage Area (HPSA)." ODH notes that "the data...does not present the whole picture because many areas that might qualify as HPSAs do not apply."[5] Maps provided by ODH show that Appalachian Ohio includes a large concentration of Health Professional Shortage Areas in all three categories (see Attachments D, E, and F).

Two health-related issues are of particular concern to the Appalachian region, including Ohio Appalachia – the prevalence and severity of diabetes and an opiate abuse epidemic.

Attachment G from the April 2004 ODH publication, *The Burden of Diabetes in Ohio,* uses the number of hospital discharges with any mention of diabetes as a listed diagnosis per 10,000 residents as an indicator to map the incidence of diabetes county-by-county. Of the 22 counties with the highest incidence of diabetes, 15 are in the Appalachian region. On April 27, 2011, the Ohio State University Center for Clinical and Translational Science (OSU-CCTS) released information from the Centers for Disease Control and Prevention about the residents of many Appalachian counties, who are three times more likely to die from diabetes than people living in most other parts of the United States. Kelly Kelleher, MD, MPH, director of the Community Engagement Program at the OSU-CCTS said:

> *The causes of health issues in this region are multifactoral – poverty, education, and access to care. A collaborative approach that pairs experts from many different specialties with organizations already working within the Appalachian community will help us reach better solutions faster.*[6]

In August 2008, ARC released the results of its commissioned study, *An Analysis of Mental Health and Substance Abuse Disparities & Access to Treatment Services in the Appalachian Region.* The report found that Appalachia suffers from disproportionately high rates of substance abuse and mental health disorders, including an alarming increase in abuse of prescription painkillers. Key findings concerning substance abuse include:

- Admission rates for primary abuse of prescriptions painkillers (opiates and synthetics) are higher in Appalachia than in the rest of the nation. This is especially true in coal-mining areas. Admission rates are rising across the nation, but are rising at a faster pace in Appalachia. Appalachia's rate, which doubled from 2000 to 2004, is more than twice the nation's.
- Focus group members were concerned with the destruction of community social infrastructure, family values, and workforce viability due to substance abuse and wanted better conditions for all citizens of their counties. The well being of youth was of paramount importance to rural counties as evidenced by the emphasis on prevention and awareness of substance abuse in schools and youth-programs settings.
- Solutions to mental health and substance use issues were understood by communities to be community-based and family-based; solutions were thought to be more effective when actively supported by other local institutions like schools, churches, and courts. Communities with more diverse programs to address substance abuse and mental health seemed more confident that they were able to have a positive impact on their citizens.[7]

The Ohio Department of Alcohol & Drug Addiction Services (ODADAS) is addressing the opiate epidemic in Ohio, noting that opiate substances accounted for nearly 40 percent of the state's 1,373 overdose deaths in 2009. In a July 2011 publication, ODADAS identifies the crisis situation that exists in much of Ohio's Appalachian region:

> *Southern Ohio, has been particularly hard-hit by this crisis, and is widely considered "a window on the world" in terms of the wreckage caused when prescription drug abuse and addiction becomes entrenched in a community. The Ohio State Board of Pharmacy reported 9.7 million doses were legally dispensed to Scioto County residents in 2010. This is more than twice the per capita rate dispensed in Cuyahoga County (Greater Cleveland.) Scioto County, which has 78,820 residents, has the third highest overdose death rate of all 88 counties in Ohio.*[8]

Attachment H, a map of the 2010 prescription opiate consumption per capita for all counties in Ohio, shows that of the 34 counties with opiate doses per capita of 75.9 or greater, 23 are Appalachian.

Travel and Tourism

The *County Profile* series tracks Industrial Sectors by the number of establishments, average employment, total wages, and average weekly wages. The most recent figures reported are for 2008, and the profiles also include the percentage of change in these categories since 2003. A comparison of the Ohio and Appalachian Ohio information for the leisure and hospitality sector is provided in Table 6.

Establishments, Employment, and Wages by Sector: 2008				
Industrial Sector - Leisure and Hospitality (L/H)	Number of Establishments	Average Employment	Total Wages	Average Weekly Wage
Ohio - Total, All Service Providing Sectors	232,833	3,508,964	$131,199,519,709	$719
Ohio - Leisure and Hospitality Sector	27,062	492,019	$7,362,453,005	$288
Ohio - L/H Sector as a percentage of total of all service providing sectors	11.6%	14.0%	5.6%	40.1%
Ohio, Change since 2003	5.9%	0.9%	15.6%	14.7%
*Ohio Appalachia - Total, All Service Providing Sectors	32,377	408,297	$11,425,622,665	$538
*Ohio Appalachia - Leisure and Hospitality Sector	4,305	64,594	$750,110,272	$223
Ohio Appalachia - L/H Sector as a percentage of total of all service providing sectors	13.3%	15.8%	6.6%	41.4%
Ohio Appalachia, Change since 2003	2.9%	-1.5%	15.5%	17.3%

**Some numbers are underreported due to suppression at the county level.*

Table 6 – adapted from the *County Profile* series, Attachments A and B

Although the leisure and hospitality sector in the Appalachian region is growing more slowly than it is statewide, it accounts for a higher percentage of the service sector jobs (13.3 percent in the Appalachian region compared to 11.6 percent statewide). Jobs in the service providing sectors, including those in the leisure and hospitality sector, pay lower wages in the Appalachian region. Workers in the service providing sectors in the Appalachian region earn about three-fourths of the wages of those in Ohio as a whole. In all areas of Ohio, the leisure and hospitality sectors are among the lowest-paying jobs in the service providing sector.

The Economic Impact of Tourism in the Appalachian Region of Ohio, published in June 2010 by Tourism Economics of Wayne, Pennsylvania, is part of an economic impact analysis for the state of Ohio. It tracks spending by visitors to industries and among industries and households to estimate indirect (supply chain) impacts and induced (income effect) impacts as wages are spent in the state economy.

The report describes tourism as "an integral and driving component of Ohio's Appalachian Region economies, sustaining over 9 percent of all jobs" and provides the following details about tourism's economic impact:

- Total tourism sales tallied $3.9 billion in the Appalachian Region in 2009.
- Visitors to the Appalachian Region generated business sales of $3.9 billion, directly and indirectly, in 2009 – a decrease of 6.9 percent from 2008.
- Tourism generated personal income of $1 billion in 2009.
- The tourism industry generated $528 million in taxes and fees in 2009.

Appalachian Development Highway System

Section 14501 of the Code of the Appalachian Regional Development Commission established the Appalachian Development Highway System (ADHS) as an ARC program. In its 2011-2016 strategic plan, *Moving Appalachia Forward,* ARC explains why Congress created the ADHS program when the Appalachian Regional Commission was established:

> *The Appalachian Development Highway System (ADHS) was created, and is being built, to enhance economic development opportunities in the Region by providing access to markets for goods, to jobs for workers, to health care for patients, and to education for students. The strong partnership of ARC, the U.S. Department of Transportation, and state departments of transportation will continue to oversee the planning and construction of the Appalachian Development Highway System.*

The Appalachian Development Highway Program provides funds for construction, reconstruction, or improvement of 3,025 miles of highway in the 13 Appalachian states. Federal funds for ADHS projects are authorized through the Federal Highway Trust Fund and apportioned among the 13 Appalachian states according to a cost to complete estimate of the system.

Updated cost to complete estimates are submitted by the states for ARC's approval every five years. The Ohio Department of Transportation (ODOT), working with the Rahall Appalachian Transportation Institute at Marshall University, updates the cost estimate for Ohio. The most recent ADHS cost to complete estimate is dated 2007; a 2012 ADHS cost to complete estimate will be prepared, and the apportionment factors established from that estimate will be implemented October 1, 2013.

The amount of ADHS authorizations and the apportionments to Ohio for 2005 through 2012 are shown in Table 7.

Appalachian Development Highway System Program								
Year	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Authorization	$470 M	$470 M	$470 M	$470 M	$470 M	$470 M**	$470 M**	Unknown
Apportionment to Ohio*	$19.7 M	$19.8 M	$20.4 M	$20.5 M	$22.7 M	$22.7 M	$18.7***	$22.8 (estimate)***

Table 7 – ADHS Authorizations and Apportionments to Ohio, 2005-2012 [9, 10, 11, 12]

Ohio has 201.5 highway miles eligible for ADHS funding. The eligible miles are located in southern Ohio. One segment is an east-west corridor encompassing all or parts of U.S. Route 50, State Route 32, State Route 124, and State Route 346 from the West Virginia state line near Belpre to the eastern edge of Cincinnati. The other segment is a north-south corridor encompassing U.S. Route 23, U.S. Route 52, State Route 253, and State Route 823 from the southern edge of Columbus to the Kentucky state line near Portsmouth (see Figure 3).

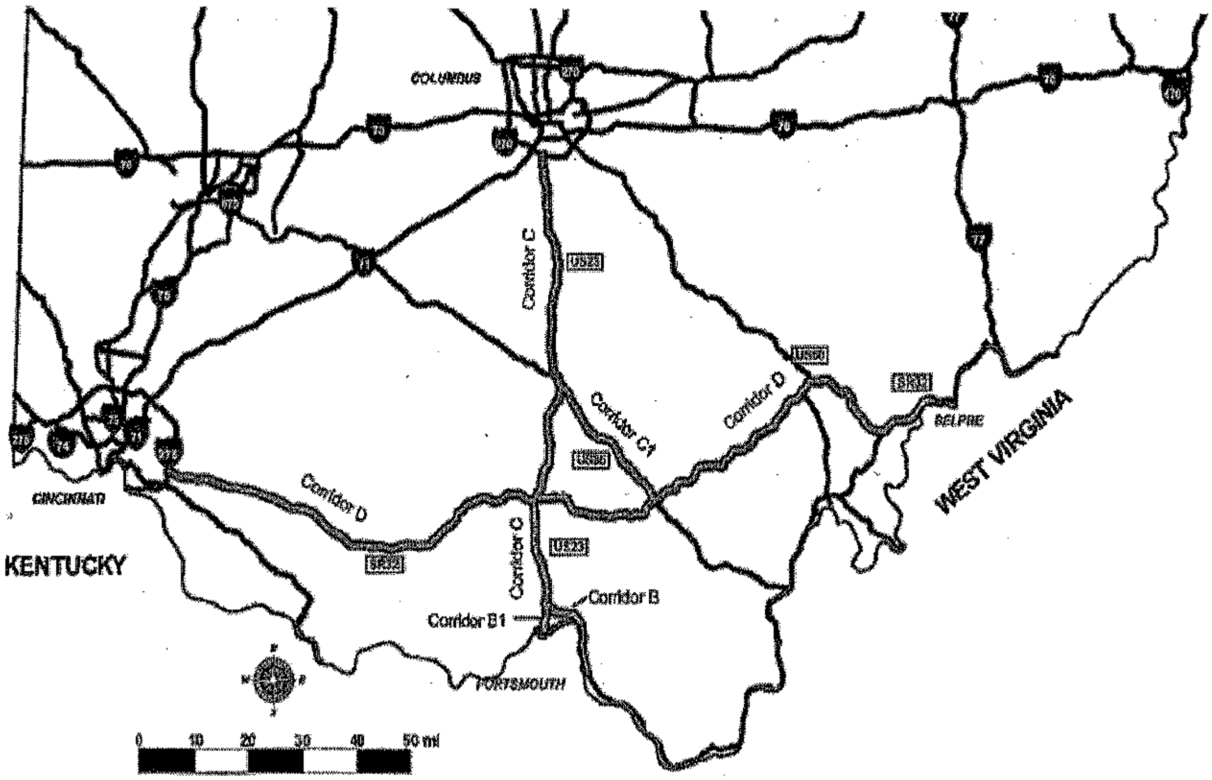

Figure 3 – Appalachian Development Highway System, Ohio Corridors

Approximately 88 percent of Ohio's corridors are complete or under construction in a program managed by the Ohio Department of Transportation. Ohio's most recent efforts to complete the ADHS have been concentrated on the Portsmouth Bypass in Scioto County.[13] Cost estimates as of April 2011 are listed as $494.7 million. In order to complete projects with the limited ADHS funds available, ODOT is able to aggregate Ohio's apportioned AHDS funds and use them to coordinate the preliminary engineering, design, right-of-way acquisition, and construction over the length of each project. Projects using ADHS funds are required to provide a minimum match of 20 percent of the total project costs. Ohio exercises the option outlined in Section 9.6 of the ARC Code to direct a portion of its annual ADHS funds to a Local Access Road (LAR) program. Each ARC state can chose to use $500,000 plus an amount up to 5 percent of its annual highway allocation for LAR projects, provided the total amount does not exceed $1,000,000. Using this formula, Ohio has allocated $1 million annually since 1986 for local access roads that "better link the region's businesses, communities, and residents to the Appalachian Development Highway System and to other key parts of the region's transportation network." ODOT administers the Local Access Road projects and, along with ARC and the Federal Highway Administration, approves Ohio's LAR projects. All applicants for LAR projects are required to document a match, ranging from 20 percent to 70 percent of the total project costs.

Ohio's ARC Process

Appalachian development and planning organizations

Ohio's 32 Appalachian counties are organized into four Local Development Districts:

- Buckeye Hills-Hocking Valley Regional Development District (BH-HV RDD) in Marietta;
- Ohio Mid-Eastern Governments Association (OMEGA) in Cambridge;
- Ohio Valley Regional Development Commission (OVRDC) in Waverly; and
- Eastgate Regional Council of Governments (Eastgate) in Youngstown.

Ohio's four LDDs are organized independently as voluntary multi-county planning and development organizations. The LDDs coordinate economic and community development activities and local, state, and federal programs to identify and address regional issues. Members of each of the LDDs include local elected officials, agency and business representatives, minority representation, and private sector citizens. The LDDs foster public-private partnerships and the planning, funding, and implementation of programs and projects that improve socio-economic conditions. LDD staffs provide planning, research, technical assistance, and grant administration services, and also offer expertise in Geographic Information Systems (GIS). Three of the LDDs manage Revolving Loan Funds (RLFs) to assist with small business financing in Appalachian counties.

The LDD, or Local Development District, name and structure originates from the ARC Code. LDDs maintain a close working relationship with ARC and also with other economic and community development agencies and organizations, including the Economic Development Administration (EDA), USDA Rural Development, the Ohio Department of Development (ODOD) and the U.S. Department of Housing and Urban Development (HUD), the Ohio Department of Transportation (ODOT), the Ohio Department of Education (ODE), Appalachian community action agencies, the Ohio State University Extension, Ohio Rural Community Assistance Program (RCAP), the Ohio Water Development Authority (OWDA), the Foundation for Appalachian Ohio (FAO), college and universities, technical schools, hospitals and medical facilities, local governments, nonprofit organizations, and others.

Traditionally ARC funds have been used as gap financing in combination with funds from other federal agencies, state agencies, local matching funds, and other leveraged funds. Compared to other federal grant programs, ARC grants tend to be relatively small. In Ohio, most ARC grants are in the $200,000 to $250,000 range. The concept of local, grassroots planning and cooperation and the structure of public-private partnerships instilled by the ARC philosophy, along with a focus on gap financing on a fairly small scale, has been instrumental in the successful completion of community and economic development projects in the region.

Roles of LDDs and citizens in developing and implementing the development plan

The LDDs' most important role is to identify priority needs of their local communities. Based on these needs, the LDDs work with their board members and other local citizens to develop plans for their communities' economic development, to target and meet the most pressing needs, and to build community unity and leadership.[14]

To plan and implement projects, the LDDs work with their governing and advisory boards and with the

Governor's Office of Appalachia (GOA). Created in 1988 by the Ohio Legislature, the GOA assumed the fiscal and administrative duties of its predecessor office, which was housed within the Ohio Department of Development's Division of Energy and later within the Office of Local Government Services, which became the Office of Housing and Community Partnerships (OHCP) and was recently renamed the Office of Community Development. GOA's relationship with OHCP/CSD has been maintained, with the two organizations sharing the fiscal and administrative duties related to ARC membership and to receiving and processing federal funds from ARC.

The Governor's Office of Appalachia was created to promote economic development in the Appalachian region of Ohio through advocacy and financial partnership. In addition to fiscal and administrative duties, the office and its director are charged with:

- representing Ohio on the federal Appalachian Regional Commission;
- maintaining local development districts as established within the Appalachian region for the purpose of regional planning for the distribution of ARC funds within the Appalachian region;
- representing the interests of the Appalachian region in the general assembly and before state boards, commissions, bodies, and agencies;
- assisting in forming a consensus on public issues and policies among institutions and organizations that serve the Appalachian region;
- assisting planning commissions, agencies, and organizations within the Appalachian region in distributing planning information and documents to the appropriate state and federal agencies and to assist in focusing attention on any findings and recommendations of these commissions, agencies, and organizations; and
- acting as an ombudsperson to assist in resolving differences between state or federal agencies and the officials of political subdivisions or private, nonprofit organizations located within the Appalachian region.[15]

To administer its federal funds, GOA and the LDDs partner with other state and federal agencies in a "basic agency" arrangement. USDA – Rural Development, the Ohio Department of Education, the Ohio EPA, and ODOD's Office of Housing and Community Partnerships (OHCP)/Office of Community Development have "basic agency" arrangements with GOA. The McArthur Water Tank project provides an example. The Vinton County Commissioners received a $300,000 grant from ARC, which was combined with $344,300 in local funds to complete a $644,300 water tank installation project. The GOA director served as the signatory and responsible party for contractual agreements related to the ARC funds. OHCP, serving as the basic agency, administered the ARC grant, including providing the grant agreement, distributing the funds, receiving project reports, and monitoring project activities.

Distressed counties/areas

Using an index-based classification that evaluates three-year average unemployment rates, per capita market income, and poverty rates, ARC determines an economic status designation for each Appalachian County. The calculations are completed each year, and the designations are made based on the federal fiscal year (FFY). The five economic status designations are distressed, at-risk, transitional, competitive, and attainment. Distressed counties are those that rank in the worst 10 percent of the nation's counties.

The number of distressed counties in Ohio has varied over the past five years, as shown in Figure 4. Meigs, Pike, and Vinton counties are the only Ohio counties to be consistently designated as distressed in recent years, with more counties appearing on the lists beginning in Federal Fiscal Year 2009. Athens County has been designated as distressed for five of the fiscal years from 2007 through 2012. Morgan, Monroe, Adams, and Noble counties have also received the distressed designation during some of those fiscal years.

Ohio Counties Designated as Distressed by ARC					
FFY 2007	**FFY 2008**	**FFY 2009**	**FFY 2010**	**FFY 2011**	**FFY 2012**
Athens	Meigs	Athens	Athens	Athens	Adams
Meigs	Morgan	Meigs	Meigs	Meigs	Athens
Pike	Pike	Monroe	Monroe	Morgan	Meigs
Vinton	Vinton	Morgan	Morgan	Pike	Morgan
		Pike	Pike	Vinton	Noble
		Vinton	Vinton		Pike
					Vinton

Figure 4 – Ohio's Distressed Counties, Federal Fiscal Year 2007 through 2012

Beginning in FFY 2012, Ohio may consider using distressed county guidelines to fund projects in distressed areas, defined in the ARC Code, Section 7.5 G as "those census tracts within non-distressed counties, other than competitive and attainment counties, with a median family income no greater than 67 percent of the U.S. average and with a poverty rate that is 150 percent of the U.S. average or greater. Such designations shall be revised for the fiscal year immediately following release of decennial census data affecting these criteria."

ARC addresses persistent economic distress in several ways, including setting aside a portion of its funds for projects in distressed counties and areas and requiring a lower percentage of matching funds for projects in distressed counties and areas. In Ohio, some state General Revenue Funds (GRF) are administered using the same matching and distressed county and area guidelines. The required match, as a percentage of the total project costs, varies based on the economic status designation of an applicant's county. This serves to direct more of the available funds to the areas with the highest need. The match requirements are presented in Table 8.

County Designation	Maximum Federal ARC or State GRF Contribution (percentage of total project cost)	Minimum Match Required (percentage of total project cost)
Distressed	80%	20%
At-risk	70%	30%
Transitional	50%	50%
Competitive	30%	70%
Attained	These funds are usually not available for projects located in ARC-designated attainment counties.	

Table 8 – ARC and State GRF matching funds requirements

Allocation methods

The Governor's Office of Appalachia administers grant programs funded with federal ARC funds and with general revenue funds appropriated by the Ohio Legislature. In recent years, Ohio has received approximately $4.0 million annually from ARC for project funds, and the General Assembly has made GRF appropriations of approximately $4.0 million annually beginning in July 2001 "to support projects in Appalachian counties." For 2012 and 2013, GRF funds of $3.7 million per fiscal year have been approved by the Ohio General Assembly. The ARC appropriation for Federal Fiscal Year 2012 has not been determined.

The ARC- and GRF-funded grant programs support economic and community development initiatives in categories including community investment; rapid response; and area development, which includes infrastructure projects, business development, education and job training, telecommunications, and community development. In cooperation with ODOT, GOA and the LDDs also work with the Appalachian Development Highway System and Local Access Road programs. Eligible applicants for most of the ARC and GRF funded grants are local governments and non-profit organizations. The Appalachian Training Investment Partnership (ATIP) program, administered by GOA and the Workforce and Talent Division of the Ohio Department of Development, is the one GOA/ARC grant available to for-profit businesses. Small companies are eligible to apply for grant funds to defray the cost of upgrading the skills of incumbent employees and to provide new employee training. When possible, GOA will work with staff from the Workforce office to prioritize ATIP funds for companies in Appalachia targeting natural gas production. A portion of the GRF funds are set aside for the Director's Rapid Response Fund—grants for emergency projects that need to move quickly in response to economic development needs. Local government and nonprofit organizations are eligible to apply and are required to provide matching funds. Beginning in FY12, it is likely that economic development projects in the energy sector will be a priority for the Rapid Response program.

Most ARC and GRF funds administered by the Governor's Office of Appalachia, including the ADHS and Local Access Road funds, are available only to applicants who can provide matching funds. In most cases, applicants for the grant programs are required to provide non-ARC matching funds. The minimum percentage of match required is 20 percent and is available for applicants with a demonstrated need that are located in counties or areas designated as distressed by ARC's economic status classification system. The percentage of match required of applicants in counties with other economic status designations can be as low as 30 percent for at-risk counties, 50 percent for transitional counties, and 70 percent for competitive counties. Project costs attributable to an attainment county are ineligible for ARC and GOA funding.

Interested applicants obtain applications and program guidelines from their Local Development District – the Buckeye Hills-Hocking Valley Regional Development District, OMEGA, OVRDC, or Eastgate. LDDs provide technical assistance through the application process and receive completed applications, which are reviewed and ranked according to each LDD's guidelines. In general, the projects are rated for readiness to proceed; soundness of the proposed project and schedule; commitment to job/business creation and retention; sustainability; leverage and private investment; and responsiveness to ARC's, GOA's, and the LDDs' strategic goals. Applicants are required to submit a project budget and certifications for all required matching funds. Additional information may be requested by the LDDs so that an applicant's financial resources and capacity can be assessed. Collaboration with community, state, regional, and federal partners is encouraged. Applications for construction projects are required to include a description of the applicant's consideration of energy efficient building techniques, including the use of "smart building" technology.

At each LDD, the staff prepares a project package of the ranked applications and recommendations for funding. The package is presented to the governing board of the LDD, and the approved project packages are forwarded to the GOA office, where applications are reviewed to verify that they meet ARC and GOA guidelines. The applications from the four LDDs are combined into the State's project package. The package is prepared to expend all available ARC and GRF funds and includes several back-up projects that can be moved forward if projects on the list to be funded are withdrawn. Projects not approved for funding can be resubmitted the following year.

Overview and Assessment of the Region's Economic Needs, Strengths, and Challenges

Buckeye Hills-Hocking Valley Regional Development District, OMEGA, OVRDC, and Eastgate work with their governing boards, members, and citizen advisory groups to evaluate the economic needs in their respective regions. Each organization publishes periodic reports about its region's strengths and the challenges it faces to identify and implement programs and projects that foster economic development and enhance the business climate and quality of life in Appalachian Ohio. Information from the LDDs' most recent reports and strategic plans is compiled below, organized based on ARC's four general goals.

General Goal 1 – Increase job opportunities and per capita income in Appalachia to reach parity with the nation.

LDDs identify the relatively low cost of living and high quality of life as strengths of Ohio's Appalachian region. The Ohio Business Development Coalition at its Enterprise Appalachia Website expands on these strengths by encouraging businesses and investors to consider Ohio's Appalachian region as an "ideal location [that] maximizes the value of the investment by delivering a perfect balance between access to mission critical resources and low overhead costs."

The Ohio Department of Development (ODOD) describes the region in these words:

> *Ohio's 32 Appalachian counties are well-known for their beautiful scenery, rich culture, and timeless traditions; they also boast a welcoming business climate, skilled workers with a strong work ethic, and an affordable cost of living. The traditional assets that have been the foundation of the Appalachian region's economy for centuries are supporting new and emerging opportunities for the region today.* (Ohio Department of Development, *2009 Annual Report*)

The largest challenge to the region in terms of reaching economic parity with the nation is the chronically high rate of poverty and the persistence of distressed areas in Ohio Appalachia. Other challenges described by the LDDs include an aging and retiring population, which is diminishing the skilled labor force, and the wage/income gap of Ohio's Appalachian region compared to the rest of the state and the nation as a whole.

General Goal 2 - Strengthen the capacity of the people of Appalachia to compete in the global economy.

The LDDs have compiled lengthy lists of strengths and weaknesses related to capacity. Strengths include the region's available natural resources, which are valuable assets for the industrial and tourism sectors. Specifically, the LDDs note that the region has unique and quality wood products and, as reported by OMEGA, is emerging as an advanced energy industry cluster around the areas of wind, energy storage, biofuels, natural gas, smart grid, solar, and carbon capture and sequestration. The LDDs also reference the potential for growth in the tourism industry because of assets including geographical features and historical attractions. Other major strengths include: excellent educational resources that include access to post secondary opportunities at university and vocational facilities and new K-12 school buildings; the region's proximity to major population centers and major markets; the ability and willingness to work cooperatively as a region; a strong commitment to community; and a strong work ethic.

To some degree, the other strengths that can help the region improve its capacity to compete in the global economy, as described by the LDDs, reflect the differences among the four LDD regions. OVRDC's reports include the following strengths: available and affordable land, for both industrial and residential uses, and an available, productive, and mobile workforce. OVRDC also reports an improved access to hospitals and medical care, which is not the case in all sections of Ohio Appalachia. OMEGA reports a growing need for medical specialists to work with the region's aging population. Buckeye Hills describes strengths including a strong foundation in basic industries; raw materials; regional pride; open access to local leaders and decision makers; and an emerging energy sector/cluster.

The Eastgate Regional Council of Governments in Youngstown serves the three most northern Appalachian counties, which Congress designated as Appalachian in 2008. The strengths identified by Eastgate reflect its more densely populated metropolitan and historically industrial character. Eastgate describes strengths including: its advanced manufacturing capability, which has been identified as a cluster industry for the Mahoning Valley and has garnered attention on a statewide and a national level; its historical and emerging strengths in hard materials such as steel, titanium, magnesium, industrial ceramics, and aluminum; and the recognition of regional tie-ins that complement the Akron region's Polymer Cluster and potentially the Biomedical Cluster in Cleveland.

The LDDs' challenges in improving Ohio Appalachia's capacity to compete in the global economy include: unanticipated demographic shifts, such as an increase in population aging and high levels of settlement by people without advanced degrees; economic downturns that generally hit deeper in the Appalachian Region and last longer, resulting in a declining economy; continued decline of the manufacturing sector; and business losses due to out-of-state and foreign competition.

Those from the OVRDC region note challenges including: a lack of comprehensive media coverage; a lack of vision and marketing; a lack of grant writing experience; the continued loss of highly educated and skilled workers; a demand on health services that will continue to grow with the population getting older; and difficulty in retaining, expanding, and attracting businesses. Though OVRDC notes improved access to hospitals and medical care, it also describes an increasing demand for critical social and supportive services. OVRDC describes the need for improved coordination and linkages among social service agencies to permit more cost effective and efficient service delivery.

Buckeye Hills reports challenges including: the Appalachian stigma; the lack of a regional message and mindset; programmatic difficulties based on a rural vs. urban mindset; and a susceptibility to natural disasters and concerns with emergency preparedness. Buckeye Hills suggests a greater focus on job creation and retention, as opposed to career development, to improve Appalachian Ohio's capacity to compete in the global market.

OMEGA includes the lower tax base as a result of the amount of government-owned land in Appalachian counties as a challenge for the region. OMEGA also places a high priority on workforce development efforts to strengthen the capacity of the region to complete.

General Goal 3 - Develop and improve Appalachia's infrastructure to make the Region economically competitive.

By prioritizing infrastructure projects and developing strong working relationships with other key organizations, Appalachian Ohio has made progress in developing and improving its infrastructure. The Appalachian Development Highway System (ADHS), also discussed under General Goal 4, is 88 percent complete in Ohio, thanks in large part to the Ohio Department of Transportation and its ADHS project administrator. The project development process, which begins in local communities and percolates up through the LDDs, GOA, and ARC, generates a continuous supply of strong Local Access Road (LAR) projects, assuring that all available LAR funds are expended to improve the transportation network. ODOT's ADHS project administrator is also instrumental in the success of the LAR program in Ohio.

A larger network of organizations works to improve the region's water and sewer infrastructure. The same project development process and coordination among the LDDs, GOA, and ARC serve to generate a good supply of strong projects to choose from. The expense and complicated nature of water and sewer projects most often requires coordination with multiple funding agencies that can provide loan and grant funds. The agencies include the Ohio Public Works Commission (OPWC), the Ohio Environmental Protection Agency (OEPA), USDA Rural Development (RD), the Economic Development Administration (EDA), the Community Development Block Grant (CDBG) program administered by Ohio's development agency, the Ohio Rural Community Assistance Program (RCAP), and the Ohio Water Development Authority (OWDA). Along with GOA, the LDDs, educational organizations, and local government agencies, these funding agencies have combined forces to form the Small Communities Environmental Infrastructure Group (SCEIG). Since 1990, the SCEIG has assisted small governments with the difficult task of developing, improving, and maintaining their water and wastewater systems. The SCEIG meets with communities to help them identify the most appropriate resources to resolve environmental infrastructure problems, and it operates a subcommittee that addresses specific needs in Appalachia Ohio.

Another SCEIG subcommittee, the Decentralized Wastewater Working Group (DWWG), promotes decentralized wastewater alternatives and management options. The DWWG group, led by Ohio RCAP, spearheaded a successful project in Amesville in Athens County:

> *...[Ohio's] first project using state and federal funding to pay for the construction and installation of decentralized wastewater treatment equipment for a community-wide system. Construction began in the summer of 2007 and was completed [in 2008]. The system is now successfully running and will save residents hundreds of dollars each year in utility bills as compared to what they would have been [paying] for a traditional centralized system.*

Decentralized systems offer promise for communities of a few hundred homes or less – like those found in Appalachian Ohio. The systems can provide a cost-effective solution to meet public health and pollution prevention goals. In smaller communities with more dispersed housing units, the costs of decentralized systems can be affordable compared to the prohibitive costs of centralized systems and the collection pipes they require. Construction and maintenance costs for decentralized systems, compared to traditional treatment plants, are more affordable for communities with a small customer base.[16]

SCEIG's Decentralized Wastewater Work Group and Ohio RCAP will offer alternative wastewater planning and management seminars, beginning in the fall of 2011, featuring speakers who are well-versed in all aspects of planning, design, financing, and managing these unique wastewater treatment systems. The seminars include discussion of alternatives to the "big pipe" including small diameter collection systems and onsite and cluster system management.

Ohio RCAP also offers energy audit seminars "for local officials and employees...concerned about their current energy costs and budgeting." The seminars are designed to benefit all municipal facilities with a focus on water and wastewater systems, and attendees are reporting "on average over 25% in energy savings and opportunities having a simple payback of less than 1 year." Using ARC regional initiative funds, RCAP has held energy audit seminars specifically for communities in distressed counties in Ohio Appalachia.[17]

Building on its expertise in providing technical assistance in small communities, Ohio RCAP plans to launch its Appalachian Leadership in Utility Management Initiative in early 2012. ARC regional initiative funds, matched by funds from the Ohio Water Development Authority, will be used to deliver a leadership curriculum specifically designed for decision makers with responsibility for infrastructure in 12 of Ohio's Appalachian communities. The initiative targets mayors, council members, clerks, board of public affairs members, and operators, who are responsible for some of the most valuable assets in small communities – their water and sewer utilities. The training will increase the knowledge-base and decision making capacity for local leaders in the areas of rate setting, capital improvement planning, financing and budgeting, and asset management. Leadership skills, including effective communication and group decision making, will be taught in the framework of public utility financing, construction, ownership, and maintenance.

The Appalachian Leadership in Utility Management Initiative training will be delivered in five modules. They are: *Understanding Leadership, Communicating Effectively; Making Group Decisions; Leading Community Change; and Building Communities through Collaboration.* The *Building Communities through Collaboration* module provides a foundation for building and sustaining community collaborations. The module distinguishes a range of relationships and ways that community leaders and organizations can work together, identifying key benefits and costs of collaboration.

Water infrastructure projects in Appalachia and all of Ohio are likely to receive greater attention, if legislation now pending in the Ohio General Assembly is passed. H.B. 120, introduced by two Appalachian legislators, would create a task force "to develop strategies for providing access to potable drinking water." H.B. 120, as passed by the House of Representatives, creates a 14-member task force that includes members from GOA, Ohio RCAP, SCEIG, the Ohio Department of Health, members of the Ohio General Assembly, and others, charged with identifying residential communities and geographic areas of Ohio in which potable drinking water is not readily available; developing strategies for providing access to potable drinking water, including strategies for financing drinking water projects; and, within one year after the bill's effective date, issuing a report to the General Assembly of its findings and recommendations regarding strategies for providing access to potable drinking water in Ohio.[18]

Although these efforts continue to improve the water and wastewater infrastructure in Ohio Appalachia, the needs remain unmet. *Drinking Water and Wastewater Infrastructure: An Analysis of Capital Funding and Funding Gaps,* published in August 2005 by ARC and the Environmental Finance Center at the University of North Carolina, assessed the cost to build needed water and wastewater infrastructure throughout the Appalachian region. At the time of the study, Appalachian Ohio included only twenty-nine counties. The cost for needed wastewater infrastructure in Appalachian Ohio was estimated to be $600 million; the cost for needed water infrastructure was estimated to be $734 million.[19]

Challenges to infrastructure development in Ohio Appalachia reported by the four LDDs include the region's aging and deteriorating infrastructure; the added costs of construction due to the region's geography and difficult topography; and the diminishing amount of grant funds available for water and sewer projects. Physical impediments including steep and rocky terrain and an abundance of stream crossings, along with large tracts of sparsely populated territory, have adversely impacted the development of infrastructure networks in the Appalachian region. Planning and construction costs for water and sewer and transportation projects in difficult terrain are higher, and funding is limited--long standing obstacles to development in the Appalachian region.

More recently, the wireless broadband infrastructure gap in Appalachia has been recognized. The 2002 reauthorization legislation created the authority for ARC to work in the field of telecommunications and technology in four broad areas: increasing affordable access to broadband services, providing training and educational opportunities related to telecommunications and technology, increasing the use of e-commerce throughout the region, and increasing entrepreneurial activities within Appalachia in the technology sector. ARC, GOA, and the LDDs have been working to develop and deploy broadband in the region since that time, through participation in the Appalachian Broadband Task Force beginning in 2007 and more recently as partners with Connecting Appalachian Ohio.

Broadband development in the region is inhibited by the physical impediments described above and by additional challenges. As reported in the *Connecting Appalachia Position Paper*, these include "coverage shadows" caused by the complex topography and the "frequency-absorbing" properties of foliage. Because of shadow coverage, more towers are required in Appalachia to achieve coverage of an area. For example, a 300-foot tower erected in Appalachia's terrain covers "less than 40 square miles, just 27% of the coverage" achieved by the same tower erected in flatlands. In addition, foliage absorbs frequencies within the desired range, rendering "many popular licensed and unlicensed wireless frequencies ineffective" in the Appalachian region. These complications result in an "Appalachian rural expanse [that] does not have sufficient population densities per tower site to create a sustainable business model," unlike rural areas with low population density but a level terrain.[20]

The lack of broadband access and deployment has been addressed recently with the implementation of the Southern Ohio Health Care Network (SOHCN), Connecting Appalachian Ohio, and Connect Ohio. Formed in 2006 by Adena Health System in Chillicothe, Holzer Health Systems in Gallipolis, and O'Blenness Health System in Athens, SOHCN received $16 million from the Federal Communications Commission's (FCC) Rural Health Care Pilot Program in 2007 to:

- build 600 miles of fiber-optic network across 13 rural counties,
- connect more than 120 hospitals, clinics, and physicians' offices across the 13 counties, and
- provide broadband access to non-healthcare sites (having convinced the FCC to alter rules that had limited access only to healthcare institutions).[21]

Connecting Appalachian Ohio – through Chillicothe-based Horizon Telecom – received $67 million in ARRA funding through the National Telecommunications and Information Administration (NTIA) in 2010 to fill broadband coverage gaps in 34 rural Ohio counties. This project, to be completed in 2013, involves:

- adding nearly 2,000 miles of fiber-optic cable to the existing Horizon Telecom network;
- connecting some 600 community anchor institutions within the 34 counties; and
- establishing partnerships with local Internet service providers that will provide the "last-mile" installations.

Connecting Appalachian Ohio is also recommending that the Federal Communications Commission implement policies that will improve the viability of wireless broadband services in Appalachian Ohio.[22]

> *Connect Ohio, a nonprofit public-private partnership, is working with telecommunications providers, business and community leaders, information technology companies, researchers, public agencies, libraries, and universities in an effort to help extend affordable high-speed Internet service to every Ohio household, including those in the Appalachian counties. Initiatives include the Every Citizen Online (ECO) project, which provides free computer and Internet training sessions, and projects to identify and develop plans to assist underserved areas.*[23]

General Goal 4 - Build the Appalachian Development Highway System to reduce Appalachia's isolation.

The LDDs identify Appalachian Ohio's strong, existing transportation systems, including highways, rail, and river systems in relation to the ADHS goal of reducing the region's isolation. The strength of the highway system has been greatly improved over the past 46 years, thanks in part to the successful completion of 88 percent of Ohio's ADHS corridors. Those miles, in conjunction with the existing state and federal highway systems, rail systems, and Ohio River ports and transport system, provide the region with great market access. Enterprise Appalachia explains the region's market access in these words:

> *Starting or locating your business in the Enterprise Appalachia Region provides you with unbeatable access to Midwestern, Central Canadian and Mid-Atlantic markets. You will be able to cost effectively get your product to market. Your business will be within 600 miles of 60 percent of the U.S. population and 50 percent of the Canadian population. Easy, affordable access to your potential customer or consumer base translates into the potential for improved margin to help you achieve profitability more quickly.*[24]

The Appalachian Regional Commission, with the Rahall Transportation Institute, the Federal Highway Administration, and the Ohio Department of Transportation, have, over the past few years completed the *GIS Mapping System for Ohio's Appalachian Development Highway System (ADHS) Corridors* project.[25] The system is compatible with ODOT, FHWA, and the ARC databases, making updates and the production of the cost to complete estimates more efficient. Additional advantages include the system's ability to show cross-sections of individual estimate sections and to incorporate aerial imagery at the 1-meter resolution for the ADHS corridors. The GIS system sets the stage for ARC, GOA, and the LDDs to provide economic development data that can become part of the mapped information.

The successful completion of 88 percent of the ADHS in Ohio and the continuing work being done on the Portsmouth Bypass is a triumph of cooperation and planning over obstacles including steep and rocky terrain and a geography that includes an abundance of creeks, river bottoms, forests, and archeological sites. Additional challenges exist as the region works to create, maintain, and develop the AHDS's links with other modes of transportation, including railways, airways, waterways, and pipelines. The recent Ohio River Summit, co-hosted on August 2, 2011 by the Lawrence Economic Development Corporation and the Ohio House of Representatives, was held to draw attention to the potential of the river and promote it as a less expensive and greener way of transporting commodities. The summit also included presentations to encourage the region to look at the "bigger picture" when making plans to reduce Appalachia's isolation. Speakers at the summit noted that the development of the "Marcellus/Utica Shale for natural gas and crude oil" and the "widening of the Panama Canal—to be completed by 2016" will impact Ohio River traffic and the overall transportation patterns in Appalachian Ohio.[26]

Economic Needs, Strengths, and Challenges Related to Shale Development

Recent natural gas production activity has prompted the LDDs and other organizations in the Appalachian region to look at and respond to the needs and challenges the expected economic growth presents. Both OVRDC and the Buckeye Hills-Hocking Valley Regional Development District have included "Marcellus and Utica Shale" links at their Websites and all LDDs are providing information at meetings in their districts. In addition, organizations that are involved in providing information to land owners, local officials, business owners, and others include the OSU Extension offices, the Ohio Farm Bureau, Kent State University, Marietta College, the Voinovich School of Leadership and Public Affairs, the Mayor's Partnership for Progress, and the Eastern Ohio Development Alliance (EODA).

Chancellor Jim Petro and the University System of Ohio have responded with programs to prepare employees with the specialized training needed to support the shale development industry. Belmont College, Central Ohio Technical College, Eastern Gateway Community College, Washington State Community College, Zane State College, Mid-East Career & Technology Centers, and Washington

County Career Center offer classes and training for the jobs in demand, including those in production and drilling operations and exploration; in environmental services; in legal support and land surveying and leasing; and in natural gas sales and trading.

In addition to jobs created directly by drilling activities, other sectors of the economy will see increased employment. Based on the experiences of communities that are now in the growth cycle of a shale play, the Appalachian region can expect to see increased hiring in the areas of: construction, retail trade, transportation and warehousing, real estate and rental, waste services, health and social services, hotel and food services, and recreation and entertainment. Workforce development offices at both the Ohio Department of Development and the Ohio Department of Job and Family Services and in the Appalachian region are now affiliated with ShaleNET, a multi-state consortium of partners working to prepare local workforces in the eastern shale-drilling areas to meet the needs of the gas industry. ShaleNet works to improve pre-employment training and identify candidates whose skills are compatible with the natural gas industry.[27]

In July, the Ohio Appalachian Task Force was reorganized, with the Corporation for Ohio Appalachian Development (COAD) volunteering to be the fiscal agent and hub of operations for the OATF. Subcommittees have been established, including a natural resources subcommittee, which will focus on providing training for local elected officials to help them be prepared for the community and economic development impacts of the shale play. The subcommittee plans to work with county prosecutors, commissioners, engineers; with sheriffs' offices, police department, and emergency services providers; with township trustees and clerks; with community improvement corporations (CICs) and chambers of commerce; and with mayors and city and village councils. Issues of concern include fees, agreements, and bonding; road use and maintenance; emergency preparedness; housing; workforce development and training; community soil, water, and air testing and quality; wealth retention; and growth. Based on the experiences of local governments in other states, Ohio's local officials have a particular concern with rural roads and bridges. Officials are developing roadway use, repair, and maintenance agreements that will require drilling companies to repair any county roads and bridges they damage during construction of natural gas wells.

Recent Achievements

Investments and outcomes

From 2006 – 2010, ARC's federal investment of non-highway funds to Ohio was $22.8 million, which was matched by $139.8 million in other public funds and leveraged by $39.1 million in private funds. Outcomes for 2006 – 2010 include:

- 9,221 jobs supported
- 6,238 students/trainees provided training opportunities
- 19,071 households served by infrastructure improvements

Broadband progress

In FY 2010, ARC invested $4.1 million to help expand the development of telecommunications in the 13-state Appalachian Region. Recipients of the funds providing matching dollars to complete 42 projects that created distance-learning networks, implemented telemedicine programs, and promoted broadband deployment.[28]

The NTIA administered Broadband Technology Opportunities Program (BTOP) includes the Comprehensive Community Infrastructure project to deploy new or improved broadband Internet facilities (e.g., laying new fiber-optic cables or upgrading wireless towers) and to connect "community anchor institutions" such as schools, libraries, hospitals, and public safety facilities. The resulting broadband networks will help ensure sustainable community growth and provide the foundation for enhanced household and business broadband Internet services. BTOP progress in Appalachian Ohio is shown in the map (Attachment I) of broadband infrastructure built and/or funded since 2007. The "green" lines show existing SOHCN fiber. The other routes are under construction through the BTOP project and will be completed by July 2013.[29]

As described by Buckeye Hills, the LDDs have worked in the past two years to build regional support for broadband access through a comprehensive public information campaign and a strategic plan for funding and implementing "middle-mile" initiatives. LDDs will continue to play a role in the implementation, growth, and maintenance of the middle-mile network, assuring that the focus remains bringing affordable, reliable, metropolitan-class broadband services to community anchor institutions, businesses, and other economic drivers in Appalachian Ohio.

Enterprise Appalachia

The Ohio Department of Development, in collaboration with the Ohio Business Development Coalition and the U.S. Small Business Administration, launched the Enterprise Appalachia[30] campaign in April 2010. This initiative provides reliable, accurate information to investors interested in Appalachian Ohio through a strong Website presence at:

http://www.ohiomeansbusiness.com/enterprise_appalachia/

Ed Burghard, executive director of the Ohio Business Development Coalition, explains the success of the initiative:

> *Savvy entrepreneurs are realizing that in Ohio's Enterprise Appalachia region they can benefit from the perfect balance of critical resources and low overhead cost structure without sacrificing access to everything needed for commercial success. In part, this explains why the area is buzzing with entrepreneurial activity. Ohio's Enterprise Appalachia should be on every entrepreneur's list of location options.*

In addition to the Website, Enterprise Appalachia is active on several social media channels and, in conjunction with *Inc.* magazine, has published the *Enterprise Benchmarks* series of white papers on topics including access to venture capital, access to supply chains and markets, expanding market reach, tax reform, and resources available to strengthen entrepreneurial knowledge and business results.

Creating and retaining jobs

In its April 2010 report, delivered as "a blueprint for strengthening workforce development in Ohio," Community Research Partners recommended a program in northeastern Ohio as a model for streamlining "access to services for local businesses."

> *In 2008, the Mahoning and Columbiana Training Association and a network of 36 regional chambers of commerce, government agencies, universities, and other business services organizations, launched the Business Resource Network. This nationally-recognized, innovative business retention and expansion program helps businesses by packaging, leveraging, and delivering economic development incentives, technical assistance, consulting, and workforce training with as little bureaucracy as possible. Network partners identify companies that may be at risk of failing or poised to flourish, presents a comprehensive proposal, and works with them over the long term.*[31]

The Business Resource Network now serves Columbiana, Mahoning, and Trumbull counties, as well as two adjoining counties in Pennsylvania[32], and the program is expanding in Appalachian Ohio. Buckeye Hills-HVRDD and OVRDC received state funding to operate Business Resource Network (BRN) programs based on concepts used in the northern Ohio network. The Buckeye Hills program serves Athens, Hocking, Meigs, Monroe, Morgan, Noble, Perry, Washington, Belmont, Guernsey, Jefferson and Muskingum counties. The OVRDC program serves Adams, Brown, Highland, Ross, Pike, Jackson, Scioto, Lawrence, Gallia, and Vinton counties. The initial six-month program launched on January 1, 2011. It focused on assisting local economic development professionals retain and encourage expansion of existing businesses. As the program continues, collaboratives representing economic development agencies, chambers of commerce, higher education, workforce investment boards, community based organizations, and government will work with established businesses to assess their needs, monitor retention and expansion, and provide a full range of workforce development resources.

Prescription drug abuse prevention

ARC has directed resources to address the prescription drug abuse problem in the Appalachian region. In addition to the 2008 report it commissioned, ARC has made capacity building grant funds available to community groups already working on substance abuse for program and initiative seed money, guidance, and training. Three Ohio grassroots community groups are among the 30 that will receive training, technical assistance, and $5,000 grants for expanded efforts to combat substance abuse in their local communities from the Appalachian Regional Commission's 2011 Competition for Community-Based Substance Abuse Initiatives. The grantees are the Pike County Summit on Children, the Scioto County Rx Drug Action Team, and the Vinton County Drug Abuse Coalition. Representatives from each group will attend a training conference to share information and will design local projects to address community substance abuse issues. Each group will finalize a project work plan at the conference's conclusion and will then have nine months to complete project activities.[33]

Initiatives with Special Relevance to the Appalachian Region

State and local government collaboration and coordination

Governor Kasich is empowering the state and its local governments to collaborate through shared services arrangements as a strategy to reduce the costs and increase the public value of local government services. Highlights from the Ohio's FY2012-13 budget include:

- Four different sections of the Ohio Revised Code permit townships to collaborate with other governments for the provision of services.
- Cities, villages, counties, schools, and many other government entities have specific statutes that require or allow for collaboration to create economies of scale or pooling to reduce costs.
- A general provision statute that clarifies the manner in which local government and schools can partner to expand services, share resources, and drive down the cost of government.
- Authority for county commissions to require other county offices to use centralized services for purchasing, transportation, vehicle maintenance, information technology, human resources, revenue collection, printing and mail operations. Independently-elected officials will maintain the authority to carry out their core functions, while creating economies of scale for back-office administrative functions.

The budget creates the Local Government Innovation Fund, which will support the Local Government Innovation Program beginning with a $45 million appropriation in FY 2013. The program will provide grants and loans to eligible political subdivisions on a competitive basis for qualified projects that seek to improve local government operations through the purchase of new equipment, facilities, or systems that will be used to implement innovative policies or processes. Ohio's development agency will administer the program.

Response to prescription drug abuse

Following his election, Governor Kasich was quick to address prescription drug abuse in Ohio, and specifically in Appalachian Ohio. During a December 22, 2010 visit to Scioto County, the governor-elect spoke about prescription drug abuse and plans for pain clinic regulations:

> *"We are here to talk about this war and this ugly problem we have that's affecting families and children all over the state of Ohio. In Southern Ohio the problem is prescription drug addictions. We've heard this over and over again and it seems nothing ever happens. I came down here to indicate this is a priority for me."*[34]

On February 21, 2011, Governor Kasich returned to Scioto County to announce the creation of a new prescription drug addiction task force, to be advised by former Ohio Attorney General Betty Montgomery, and the availability of $100,000 for a private, non-profit drug treatment center in Portsmouth, matched by $300,000 in federal funds and to be used to bring more people into treatment.[35] The same day, he signed Executive Order 2011-06K, allowing state treatment providers to use FDA-approved drugs that can help in the treatment of opiate addiction.[36]

On May 20, 2011, Governor Kasich signed into law House Bill 93, requiring that any facility operating as a pain management clinic be licensed by the State Board of Pharmacy "as a terminal distributor of dangerous drugs with a pain management classification, even if it is operated by a business entity that is not otherwise required to be licensed as a terminal distributor of dangerous drugs" and requiring that the operation of a pain management clinic comply with rules adopted by the State Medical Board.[37]

GOA will be working with the Ohio Department of Alcohol and Drug Addition Services (ODADAS), the Governor's Office of Health Transformation (OHT), the Ohio Association of Community Health Centers (OACHC), and the Center for Substance Abuse Treatment (CSAT) within the U.S. Department of Health and Human Services Substance Abuse and Mental Health Services Administration (SAMHSA) to create a regional Opiate Treatment Program (OTP) located in Appalachian Ohio and accessible to its residents. Ohio's 13 existing OTPs are located in urban areas and focus on addressing addiction through medical intervention. The OTP planned for Ohio's Appalachian region will serve as a multi-disciplinary, integrated healthcare organization and will provide care through a whole-person approach to maintain, expand, and improve the availability and accessibility of essential primary and preventative healthcare services for low-income, medically underserved, and vulnerable populations.

Shale Development in the Appalachian Ohio Region

Hydraulic fracturing, or fracking, drilling techniques used in Ohio's Utica and Marcellus shale formations are of the utmost interest to Governor Kasich, to the Appalachian counties, and to the entire state. Dale Arnold, director of energy policy for the Ohio Farm Bureau, has reported on the economic and business potential of the Utica, Marcellus, and other geologic formations in Ohio:

> *Energy service providers estimate that Ohio's deep Utica and Marcellus shale deposits contain vast amounts of natural gas and natural gas liquids. Other exploration companies are using new technology to find natural gas and petroleum resources in almost every geological formation where exploration has taken place in the last century.*[38]

The impact of the Marcellus and Utica shale development on the Ohio economy was a topic at the Ohio Governor's 21st Century Energy & Economic Summit, held September 21 and 22, 2011 on The Ohio State University campus. In partnership with Battelle, the widely respected independent research and development organization headquartered in Columbus, Ohio, Governor Kasich held the Summit as:

> *...the beginning of a comprehensive, jobs-friendly energy policy for Ohio. The open exchange of ideas on the future of energy will provide Ohio leaders a sound basis for developing policies that spur economic growth through low-cost, reliable energy, 21st Century energy technologies, appropriate regulatory oversight, and environmental stewardship.*

Key points made during the Summit about the impact of the Marcellus and Utica shale in Ohio include:

- Access to untapped supplies of natural gas is one of the most important domestic energy developments in 50 years, described as a "game-changer" for the chemistry industry and for Ohio by American Chemistry Council (ACC) President and CEO Cal Dooley.
- In a September 15, 2011 report, the National Petroleum Council said, "The availability of abundant, low-cost natural gas is helping to revitalize several industries, including petrochemicals, leading to several billions of dollars of new investment in domestic industrial operations that would not have been anticipated half a decade ago."
- Utica Shale could be worth $500 billion, and according to Aubrey McClendon of Chesapeake Energy Corporation, it could be "biggest thing economically to hit Ohio, since...the plow."
- Chesapeake plans to drill as many as 12,500 wells in the Utica, and McClendon expects approximately 10 companies to compete in the play, investing as much as $200 billion in Ohio over the next 20 years. Chesapeake is currently running five rigs in the Utica and plans to gradually increase that to 40 rigs by 2014, but McClendon said Ohio should expect more than 100 rigs in the Utica at full buildout.[39]

While the economic development impacts of the shale gas industry will be felt in Ohio's Appalachian counties and beyond, the on-site and community development impacts will be experienced disproportionately in the Appalachian Region. Marcellus and Utica activity in Ohio is largely concentrated in the eastern third of the state. Many of the counties that will be impacted by the developing shale play are in what remains of the Ohio coal fields and are still experiencing the long-term effects of mining, including adverse environmental and social impacts. Because the region has experienced the boom and bust of the coal mine era, and because Ohio's neighboring states have experienced the development of the shale gas industry ahead of Ohio, resources and information to help guide Ohio in its quest for "economic growth through low-cost, reliable energy, 21st Century energy technologies, appropriate regulatory oversight, and environmental stewardship" abound.

In August and September of 2011, the Ohio Department of Natural Resources (ODNR) held a series of "government-to-government" meetings on Utica and Marcellus shale development. Then-ODNR Director David Mustine and representatives from several state agencies met with local government leaders in eastern Ohio counties located in the Utica and Marcellus formations. In addition to ODNR, state agencies with representatives at the meetings included:

- Ohio Environmental Protection Agency
- Ohio Department of Taxation
- Ohio Department of Transportation
- Public Utilities Commission of Ohio
- Ohio Department of Development
- Ohio Department of Health
- Ohio Department of Agriculture
- Ohio Board of Regents

ODNR invited county engineers, auditors, and commissioners; township and municipal representatives; economic development leaders; county sheriffs; and state and federal elected officials to the meetings to address topics including:

- Support from the state

- Community services, taxes, and housing
- Workforce development
- Road maintenance agreements, infrastructure upgrades, transportation issues, and weight limits
- Emergency Management: hazmat procedures, safety training, fire and EMS services
- Effective environmental regulation

JobsOhio

In January 2011, Governor John Kasich took office and began working to transform Ohio's economy by implementing "a new approach to economic development, a new way of working with businesses to assist in their growth, and a new way of attracting businesses to the state." The JobsOhio Bill, passed on February 18, 2011, authorized the Governor to form a nonprofit corporation "responsible for the promotion of economic development, job creation, job retention, job training and the recruitment of businesses to Ohio." The JobsOhio legislation also authorized the Ohio Department of Development "to analyze its structure and programs and recommend statutory changes necessary to work in harmony with JobsOhio as well as efficiently deliver remaining Development duties."

With GOA's location within the Ohio Department of Development and the involvement of the LDDs in community and economic development activities, the creation of JobsOhio and the reorganization of ODOD will have significant influence on priorities in Ohio's Appalachian region. Based on commonalities including a strong interface with communities, local governments, and community action or support agencies, GOA has been merged with four other community development offices to form the Community Services Division in the state's development agency.

All units of Ohio's reorganized state development agency operate based on six guiding principles. They are:

- **Focus on customers.** There must be a focus on the end customer; the business, the community recipient of grants, the individual receiving energy subsidy, the peer agencies within the state, and the taxpayers that support public incentives and ultimately benefit from an improved economy.
- **Continuously find efficiencies.** Left unattended, the tendency is for bureaucracies to expand in size and evolve policy and procedure in an overly burdensome way. There must be a focus on continuously seeking efficiencies while supporting customers effectively.
- **Provide a "pace of business" link to JobsOhio.** The process for growing jobs must move at the pace of business. For those functions in the process that will remain in the state, the pace must be that of business, not of bureaucracy, in order to be a valued partner by JobsOhio.
- **Provide assurance of strong state oversight of JobsOhio.** While being a valued partner to JobsOhio, the agency must also serve to provide oversight of JobsOhio, ensuring the interests of the Ohio taxpayer are well served.
- **Create greater leverage of limited resources.** The Agency must find the highest possible leverage of resources managed by the Department and by doing so, extend the benefits of the Departments programs to a larger population.
- **Be metrics-driven and outcome focused.** The Agency must hold itself and its partners accountable for outcomes to its customers through continuous monitoring of metrics.

GOA's inclusion within the Community Services Division places it side-by-side with community development personnel who have an outstanding track record for grant management and compliance and a history of providing excellent training and development opportunities to their constituents and staff members.

An emphasis on a metrics-driven, outcome focused operations is a particularly good fit for the GOA office at this time. As a federal agency, ARC complies with the Government Performance and Results Act of 1993 (GPRA) by submitting a report of actual program results to Congress at the end of each fiscal year. In 2011, ARC will begin a major program evaluation of its public works and infrastructure projects, which account for roughly half of ARC's investments in its area development program. GOA will call on the expertise of the staff of the Community Services Division and the Appalachian Regional Commission to improve its management of performance goals and measures to assure that the federal ARC and state GRF programs are relevant, effective, efficient, and accountable.

While maintaining a focus on providing critical infrastructure and community assistance to Ohio's 32-county Appalachian region, GOA and the LDDs will also maintain "a 'pace of business' link to JobsOhio," the nonprofit corporation responsible for the promotion of economic development, job creation, job retention, job training and the recruitment of businesses to Ohio, since it incorporated on July 5, 2011. Appalachian Ohio will be linked to JobsOhio by two existing regional nonprofit economic development organizations and two emerging organizations--the Ohio Appalachian Business Council (OABC) and the Appalachian Partnership for Economic Growth (APEG)[40].

JobsOhio has been structured to work with six Ohio groups, each organized as a regional, multi-county, nonprofit economic development organization. The northeastern Ohio group is Team NEO, and in southwestern Ohio, it is the Cincinnati USA Partnership for Economic Development. Most of the Appalachian region of Ohio has not been served by similar organizations, but a subsidiary of the Ohio Appalachian Business Council has emerged as the group that will serve as JobsOhio's Appalachian Regional partner.

The origins of the OABC are with the ICAN! Corporate Partnership established by the Foundation for Appalachian Ohio (FAO) in 2008. Members of ICAN!, which organized to support businesses in Appalachian Ohio that sought to work with FAO on philanthropic endeavors, recognized a need for a regional business-based leadership group that would complement the existing community-based business leadership groups, such as the LDDs. ICAN! envisioned a regional business roundtable, which formed and began meeting under the name Ohio Appalachian Business Council in October 2010. OABC has now emerged from FAO incubation and has filed the paperwork necessary to become a stand-alone 501c(3) nonprofit corporation that will serve the 32 counties in Appalachia Ohio by seeking regional solutions to regional challenges, in ways that maximize business growth, job creation, and educational achievement.

As plans for JobsOhio coalesced in early 2011, OABC was approached and asked to assist in the formation of an organization, similar to Team NEO and the Cincinnati USA Partnership for Economic Development, which will serve as JobsOhio's Appalachian Regional partner.

In its proposal to JobsOhio, OABC describes the Appalachian Partnership for Economic Growth (APEG):

> *To deliver the potential impact of JobsOhio in southeastern Ohio, the OABC is organizing a subsidiary LLC, the Appalachian Partnership for Economic Growth (APEG), to fulfill the mission of propelling job growth, economic expansion, and wealth creation in southeastern Ohio. APEG will do this by creating a coordinated network to advance job and wealth creation in the 25-county JobsOhio southeast region.*

The APEG/Southwest region serves 25 Appalachian counties because Ashtabula, Mahoning, Trumbull, Columbiana, and Tuscarawas are part of the Team NEO/Northeast region, and Clermont and Brown are part of the Cincinnati USA Partnership/Southwest region, as shown in the JobsOhio Network Map, Attachment J.

The OABC proposal to JobsOhio describes Appalachian Ohio's history of collaborative business attraction efforts, "launched through the years, most frequently through the support of partnership through Local Development Districts." Collaborations have included:

- Printed attraction kits and publications and substantial advertising in magazines such as *Site Selection* and *Trade and Commerce*.
- Digital attraction; e.g. the Buckeye Hills Regional Development District hosts an "Available Building and Sites" website to attract and inform companies interested in the region. The Website highlights properties in the region.
- Follow-on collaboration from the south-central region's legacy of leadership with the Portsmouth Gaseous Diffusion Plant; Fluor has contracted with Canup and Associates to work with Pike, Ross, Jackson, and Scioto counties' marketing.
- Individual communities or a collection of communities often join forces to conduct their own advertising, attend national site selection and foreign trade conferences, and send local delegations to foreign countries on attraction mention.

The OABC proposal also lays out its intention to work with Enterprise Appalachia to improve business attraction efforts in Appalachian Ohio.

> *An initial step will be leveraging the Enterprise Appalachia Program as a business development and attraction platform. Such leverage of a successful starting point gains quick regional collaboration and is a major selling point of JobsOhio.*

Ohio's Appalachian region embarks on Governor Kasich's "new approach to economic development" at a critical time, as explained in the OABC proposal to JobsOhio.

> *For the first time in Appalachian Ohio's history, the institutional building blocks for private sector growth are in place, including:*
>
> - ***TechGROWTH****, a program of the Third Frontier Network located within the Voinovich School for Leadership and Public Affairs, which has proven to be a robust network of partners providing operational assistance to businesses and technology commercialization support to entrepreneurs*
> - *Strong networks of* ***business incubators*** *have formed, and many other economic development partners have emerged as innovative catalysts in the region's entrepreneurial development and business growth, including* ***Rural Action*** *and* ***Buckeye Hills Regional Development District and its LDD partners [OVRDC, OMEGA, and Eastgate].***
> - *Venture investment funds have been established, including early stage fund* ***ADENA Ventures,*** *boutique firm* ***ATHENIAN Venture Partners*** *investing in early through late state Life Sciences and IT companies, TechGROWTH's seed fund, and angel networks, with further venture funds on the horizon.*
> - *Recent* ***Shale Gas Commercialization*** *opportunities represent a source of near-term job and wealth creation to complement our fuller, long term planning goals.*
> - *World class examples of successful technology commercialization and wealth creation in the form of drug development and sales royalties*

*(**Somavert**) and M&A of a regionally nurtured biotechnology start-up with a San Diego public company (**Diagnostic Hybrids to Quidel Corp**).*

- ***Appalachian Center for Economic Networks (ACEnet)**, focused on small businesses, including startups, primarily in the food, agriculture, artisan and wood sectors.*
- *This business success has parlayed into educational successes and new philanthropic infrastructure, including the emergence of the **Foundation for Appalachian Ohio (FAO)** as a strong regional voice and partner for leveraging and organizing networks and resources, and improved messaging via **EnterpriseAppalachia.com**, an interest portal that allows anyone in the world to connect with our region's assets, natural beauty and entrepreneurial spirit.*
- *And very significantly, **the Ohio Appalachian Business Council** has formed.*

Additionally, Ohio's Appalachian region now includes Ashtabula, Mahoning, and Trumbull counties, which bring strengths in advanced manufacturing capability, tie-ins with the Akron region's Polymer Cluster and potentially the Biomedical Cluster in Cleveland, and membership in the Team NEO region. The far western Appalachian counties in Ohio include Brown and Clermont, members of the Cincinnati USA Partnership region.

Led by ARC's founding philosophy – "that the Federal, State, and local governments act in concert, within a framework which permits their cooperation and encourages private initiative"-- the Appalachian counties have a long history of working regionally and forming public-private partnerships to move the region forward. Working regionally and cooperatively are strategies that have helped to overcome obstacles including a small population base and lack of access to economic resources. The LDDs and organizations such as the Eastern Ohio Development Alliance (EODA), the region's colleges, universities and medical facilities, the Appalachian Task Force, OSU Extension, and others stand ready to work with JobsOhio to promote economic development, job creation, job retention, job training, and the recruitment of businesses to Ohio and to Appalachian Ohio.

Conclusion

In conclusion, the Governor's Office of Appalachia (GOA) understands the unique challenges facing Appalachia and is prepared to combat them by capitalizing on the many opportunities that lie before the region. The opportunities have been discussed in this document, and it will be the responsibility of GOA to make the appropriate investments to seize those opportunities. Under Governor Kasich's administration, it will be the mission of GOA to continue to work toward raising Appalachia Ohio to parity with the rest of the state and nation.

Ohio remains committed to working with the Appalachian Regional Commission toward the goal of economic parity for the region and as a strategic partner and advocate for sustainable community and economic development in Appalachia. Ohio will continue to leverage the federal ARC funds with state dollars; to maintain strong ties with other federal, state, and private investors working in the Appalachian counties; and to complement the expertise and commitment of the ARC and Local Development Districts' staffs with strong grant administration and performance measurement support from GOA and the Community Services Division.

Attachments

Attachment A – ODOD Ohio County Profile, State of Ohio

Attachment B – ODOD Ohio County Profile, Ohio Appalachian Region

Attachment C – ODOD Map, Ohio County Population, Census 2010, Percent Change 2000-2010

Attachment D – HRSA Data Warehouse Map, HPSA Primary Care

Attachment E - HRSA Data Warehouse Map, HPSA Dental Care

Attachment F – HRSA Data Warehouse Map, HPSA Mental Care

Attachment G – ODH Map, 1999-2001 Number of Hospital Discharges with Mention of Diabetes

Attachment H – ODH Map, 2010 Prescription Opiate Consumption Per Capita

Attachment I – Horizon Telecom Map, Broadband Infrastructure Built and/or Funded Since 2007

Attachment J – ODOD Map, JobsOhio Network by Regions

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