

Appalachian Regional Commission FY 2016 Performance Budget

Major Program Justification: Area Development – Special Initiative-\$25M

POWER+ PLAN For the Appalachian Region

The United States is undergoing a rapid energy transformation, particularly in the power sector. Booming natural gas production, declining costs for renewable energy, increases in energy efficiency, flattening electricity demand, and updated clean air standards are changing the way electricity is generated and used across the country. These trends are producing cleaner air, lower energy bills for families and businesses, and new jobs and industries. At the same time, they are impacting workers and communities who have relied on the coal industry as a source of good jobs and economic prosperity, particularly in Appalachia, where competition with other coal basins provides additional pressure.

New opportunities for Appalachian entrepreneurs are under development as partnerships between government, business, schools, non-profits and philanthropies are driving innovative approaches to development. Angel investors, lenders, and regulators are working together to ensure new businesses have access to capital at all stages of growth. Some businesses are re-shoring their manufacturing resulting in new jobs at home, while other enterprises are finding ways to expand exports and increase local opportunities. In some communities local leaders are helping businesses organize into producer networks to enhance their access to markets, and innovation between industry and educational institutions is driving the creation of new products and technologies. Broadband availability is reducing isolation and presenting entrepreneurial opportunities.

The Appalachian Regional Commission (ARC) will provide \$25 million (from the \$95 million in the FY 2016 President's budget) to support the Administration's POWER+ (Partnerships for Opportunity and Workforce and Economic Revitalization) Plan. ARC will fund a Regional grant competition to support development of entrepreneurial activities in emerging opportunities sectors for communities that have been or will be impacted by coal mining and coal power plant employment loss as they undertake economic transitions. Funds will be available for economic development planning and implementation activities, including developing entrepreneurial ecosystems, facilitating access to capital investments and new markets, and addressing barriers related to adequate water, sewer, and telecommunication infrastructure. This initiative will help communities to: diversify their economies; create good jobs in existing or new industries; attract new sources of job-creating investment; and provide reemployment services and job training to dislocated workers in order to connect them to high-quality, in-demand jobs. Examples of emerging opportunity sectors supported by this initiative are as follows:

Advanced Manufacturing: *Compete in the global manufacturing economy by “Making It in Appalachia”, building strong businesses and a skilled manufacturing workforce.* Historically, manufacturing has been a critical part of healthy and competitive rural communities, producing good jobs and attracting outside investment. Examples of activities could include supporting re-shoring initiatives by engaging with corporate re-shoring programs, or export initiatives.

Energy: *Maintain a leadership role supplying energy to the nation while broadly benefiting Appalachian communities and residents, creating both local jobs and competitive local businesses.* Support the generation and distribution of energy through new and emerging technologies, and through the pursuit of energy efficiency strategies. Examples of activities could include supporting the development of Local Energy Plans, improving access to capital for renewable energy / energy efficiency projects, or exploring opportunities for distributed community based power generation.

Local Food Systems: *Continue to grow the local foods sector both for health promotion and improved community quality of life, and to expand local job opportunities and strengthen local communities.* Examples of activities could include continuing support for investments in local food systems, and increasing tourism visitation by highlighting local food destinations, and promoting the development of food hubs in the Region.

Tourism Development: *Leverage the Region's assets to attract visitors to Appalachia.* Many Appalachian communities have developed successful tourism strategies based on the Region's cultural heritage, history, and natural beauty, and have rehabilitated facilities and infrastructure to make the Region more accessible and attractive to visitors and entrepreneurs. Examples of activities could include training artisans and artists to improve their business and marketing skills; developing strategic plans and feasibility studies to help communities maximize the potential of their cultural assets; and investing in new technologies that create new experiences for visitors.

Healthcare: *Bring Appalachia to parity with national health measures while fostering opportunities for new healthcare enterprises and employment.* Support opportunities for job creation driven by increased demand for services resulting from poor health conditions, demographic changes, and improved health insurance coverage. Examples of activities could include: formation of new entrepreneurial healthcare enterprises in Appalachia with the support of targeted business incubators, building business assistance programs, and industry-targeted loan funds; or the training of community health workers and patient navigators for anticipated new job openings.

ARC state, local and private sector partners can help develop the emerging economic opportunities in the Region by focusing on a range of high impact activities in areas including:

- Education & Training - provide skills training and quality education resulting in degrees, certifications and industry-recognized credentials for in-demand jobs.
- Entrepreneurial Ecosystem - build an infrastructure to support entrepreneurs by enhancing access to capital, supporting business accelerators and business assistance programs, emphasizing innovation and reinforcing workforce development systems.
- Strategic Partnerships - enlist new investment partners to bring additional resources into the Region from philanthropy, federal partners, banks, and private investors.
- Leadership - work with public and private sector local community leaders to develop and invest in a strong vision for the future.
- Investments - leverage additional resources to the Region by making direct investments of ARC resources in high impact programs.
- Water and Sewer Infrastructure - address the lack of adequate water and sewer infrastructure in the Region and build intermodal connections to improve access to the global market.

- Broadband Deployment - increase broadband Internet access and adoption in Appalachia, which supports economic growth, job creation, and improved education, health care, and public safety.

Applicants can request funding for a comprehensive **planning grant** or an **implementation grant**. Communities selected for planning will undergo a strategic planning process provided by a qualified contractor selected by ARC. Communities that have previously completed a strategic planning process may request implementation funding to complete an activity prioritized during the planning process. A total of \$600,000 in administrative expenses will be allocated to this project.

Who is Eligible?

Communities that have experienced closure of coal power plant electric generating units; closure or significantly reduced operations of a coal mine; closure or significant economic loss of businesses in the supply-chain of coal power plants or coal mines that are closing or reducing operations.

Nonprofit organizations, governmental entities and public educational institutions are eligible to apply.

For-profit organizations are not eligible for this program.