



APPALACHIAN REGIONAL COMMISSION

FY 2017 Budget Summary

The President’s budget requests \$120 million for ARC’s economic and community development programs. The request includes \$70 million for ARC’s regular work and \$50 million to further the Administration’s POWER Initiative to support communities that are adversely affected by the changing economics of America’s energy production. These levels are consistent with the FY2016 appropriation.

The Commission’s activities are designed to help the 13-state Appalachian region achieve socioeconomic parity with the nation. FY2017’s work will advance the goals of ARC’s new strategic investment plan: creating economic opportunities, building a ready workforce, investing in critical infrastructure, promoting natural and cultural assets, and strengthening community leadership capacity.

Area Development:

The request includes \$57 million for the regular Area Development program, the same as FY2016. At least half of this amount will benefit economically distressed counties and areas. While final program decisions will be made jointly by the Federal Co-Chair and the Appalachian governors, the Commission expects to place a priority on creating jobs through grants for basic infrastructure and broadband, entrepreneurship, workforce development, and health care, focusing particularly on taking advantage of emerging economic opportunities in Appalachia.

For Local Development Districts, the ARC budget provides \$6.2 million, the same as FY2016.

The Fixing America’s Surface Transportation (FAST) Act authorized expenditures for construction of the Appalachian Development Highway System (ADHS) and local access roads out of the federal highway trust fund. ARC continues to oversee the development of this system.

Performance targets for the base program for FY2017 include: create/strengthen 2,500 businesses; create/retain 20,000 jobs; strengthen/improve skills of 22,000 workers or leaders; provide 22,000 households with basic infrastructure services; improve capacity of 250 communities; and leverage \$6 of private investment for every \$1 of ARC funds invested in job-creating projects.

POWER Initiative:

POWER seeks to create a more vibrant economic future for coal-impacted communities by cultivating economic diversity, enhancing job training and re-employment opportunities, creating jobs in existing or new industries, and attracting new sources of investment to communities that have previously relied on coal mining, coal-fired power plants, and related coal-industry supply-chain businesses. ARC’s POWER Initiative will feature a regional competition for large-scale grants, along with technical assistance, planning grants, and feasibility studies.

Salaries and Expenses:

To implement the ARC work, the budget requests \$6.5 million for salaries and expenses. The Commission has realized several administrative efficiencies, yielding a minimal increase in expenses.

ARC Budget Summary (\$ thousands)

	2015 Actual	2016 Enacted	2017 President’s Budget	Change from 2016
ARC Program				
Area Development	77,474*	83,444**	57,281	-26,163
POWER Initiative	0	50,000	50,000	0
Local Development Districts	6,200	6,200	6,200	0
Salaries and Expenses	6,326	6,356	6,519	163
Total ARC	90,000	146,000	120,000	-26,000

*Includes \$10 million to continue a program of high-speed broadband deployment in economically distressed counties in Central Appalachia and \$10 million for an automotive workforce development program in Southern Appalachia.

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