ARC POWER INITIATIVE
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SUPPLEMENTAL GUIDANCE—Impact Measures

A POWER investment can transform a region's economy from dependence on a single, declining industry to one that exhibits growth in diversity and scale. Each regional economy is as different as the natural, cultural, human, and structural assets that define it. So too are the range of investments eligible under ARC's program for coal-impacted communities. This document provides guidance in developing the metrics by which your project will be evaluated throughout the POWER grant competition.

ARC uses performance metrics to evaluate proposed investment opportunities and to measure and report the results of those investments. POWER grant applicants are required to forecast measures of the activities they propose (outputs) and the results which are expected to accrue from the proposed activities (outcomes). The forecasted metrics are part of the pre-award criteria used to make investment decisions and part of the post-award evaluation process assessing the level of success achieved during the grant period of performance.

There are generally two (2) types of performance metrics in ARC's system – paired measures and stand-alone measures. Paired measures consist of an output – a person or entity "served" and an outcome -- the same person or entity "improved."   Stand-alone measures exist independently of one another, e.g. new jobs created, leveraged private investment, etc. and have similar definitions across most ARC project types.

Completing the Impact Measure table in the POWER application portal requires an understanding of the definitions ARC applies to certain desired outputs and outcomes. Definitions of paired measures can differ slightly across project types and are described below.

DEFINITIONS of METRICS
There are three metrics included in the POWER RFP that are referred to as "Primary Outcomes" as well as measures that generally fall under three categories: Workforce, Education and Health; Business Development and Entrepreneurship; and Critical Infrastructure. Many POWER projects use metrics from two or more of these categories.

- **Primary Outcomes –** As described in the POWER RFP, projects should include one (1) or more of the following as a primary outcome:
    - 'Jobs Created' is the number of direct hires, excluding construction jobs, as a result of an ARC project. This is a measure of jobs created during the project period of performance and up to two (2) years after the project end date. Part-time and seasonal jobs should be converted to full-time equivalents and rounded up to whole numbers;
    - 'Jobs Obtained' is number of individuals that obtained a job after completion of an ARC-sponsored training program (measured as 'workers/trainees improved'); and

- o 'Businesses Created' are the number of new businesses formed from participation in an ARC-funded entrepreneurship or other business development training program, this does not include businesses relocating to the service area.
- **Workforce, Education and Health** – projects in this category generally use metrics that describe individuals that took part in an ARC-sponsored program and later showed measurable benefit from their participation:
  - o 'Workers/trainees' are individuals enrolled in programs that do not lead to a diploma or degree and are (typically) non-credit;
  - o 'Students' refers to individuals enrolled in credit programs that lead to a certificate or diploma;
  - o 'Participants' are those individuals that participate in one-time or other short-term events, including conferences and workshops, where tracking the acquisition of employment or other high-impact outcomes is not feasible; and
  - o 'Patients' consist of those individuals receiving treatment with equipment or programming purchased with an ARC investment.
- **Business Development and Entrepreneurship** – projects in this category generally use metrics that classify businesses according to their degree of improvement as a result of participation in an ARC-sponsored program.
  - o 'Business' refers to a company that has some type of formal existence, i.e. is licensed or registered, has employees, etc. and is motivated to seek profit or a return on investment, e.g. financial, social, environmental, etc;
  - o 'Leveraged Private Investment' is the dollar amount of private-sector financial commitments, i.e. usually the business or businesses investing in themselves, that result from the activities paid for with the ARC investment. This number should be projected from the start of the project period and up to three (3) years after the project end date;
  - o 'New Visitors: Days' is the number of new daytime visitors to a tourism destination times the number of days they visit, within one (1) year of project implementation; and
  - o 'New Visitors: Overnights' is the number of new overnight visitors to a tourism destination times the number of their overnight stays, within one (1) year of project implementation.
- **Critical Infrastructure including Broadband Services** – projects in this category generally use metrics to classify the deployment and utilization of critical infrastructure, including broadband services:
  - o 'Households' are typically the number of residential utility billing customers (or potential customers) in a given project's service area;
  - o 'Businesses' in infrastructure projects include all non-residential utility customers (or potential customers) in a given project's service area;
  - o 'Communities' are the towns and villages existing within the project service area;
  - o 'Data-Megabits per Second' refers to download/upload speeds in broadband projects;
  - o 'Telecom Sites' refers to Wi-Fi or other broadband projects, e.g. the number of towers being used to transmit the broadband signal; and
  - o 'Linear Feet,' 'Access Road Miles,' and 'Acres' are examples of other outputs used for specific types of infrastructure projects.

DEFINITIONS of 'IMPROVED' in a PAIRED MEASUREMENT

For all paired measures, the outcome or 'improved' measure will generally be a smaller number, or a subset, of the output or 'served' number. The output refers to the activity and shows the scope of the project, while the outcome shows resulting improvements. For 'improved' measures, the result with the highest impact or most meaningful outcome should be selected. Improvements must be measurable

and the methodology validated by the ARC project coordinator assigned to your project if it is selected to advance in the competition.

- **Workforce, Education and Health**
  - o 'Workers Improved'- the highest impact outcome could be a job enhanced for incumbent employees (e.g., higher salary, better position), or a job obtained for non-incumbent employees, including those coming from other industries;
  - o 'Students Improved'- the highest impact outcome would be a job obtained. For those who will not obtain a job within three (3) years of project completion, e.g. a high school freshman, the outcome that leads to being counted as a 'student improved' would be completion of a course, certificate, diploma, and/or continued education;
  - o 'Participants Improved'- the highest impact outcome for participants is generally completion of the project activity, such as a training session or other activity (e.g., completing a job seeking seminar or uploading a resume); and
  - o 'Patients Improved'-the highest impact outcome for patients is decreased absenteeism at work, or the ability to re-enter the workforce, especially following substance-use disorder treatment programs.
- **Business Development and Entrepreneurship**
  - o 'Businesses Improved'- for 'pre-revenue' businesses, improvements include growth in employment and/or growth in revenue, or other milestone(s). For a business with revenue, suitable improvements would generally be increased profitability or substantial growth in employment as a result of participation in an ARC-funded project. Local factors may determine the suitability of your forecasted measures, but they must ultimately be agreed to by the ARC project coordinator assigned to your project.
- **Critical Infrastructure including Broadband Services**
  - o 'Households Improved' - the number of residential customers in the utility or broadband service area that subscribe to the newly-available or improved service;
  - o 'Businesses Improved'-for infrastructure projects, businesses improved includes all non-residential customers in the utility or broadband service area that subscribe to the newly-available or improved service; and
  - o 'Communities' is the number of towns and villages that see measurable improvement as a result of an ARC investment in broadband or other utilities.

TIPS FOR CONSIDERATION WHEN COMPLETING THE PROJECT IMPACT SECTION OF THE POWER2020 APPLICATION

- **When forecasting a metric for which there is a Paired Measure, remember that the measure for individuals or entities 'improved' is typically a subset of the number 'served.'** In most cases, projects will not be one-hundred percent (100%) effective in generating change and/or improvement within the population being served. By definition, the number 'improved' cannot be greater than the number 'served,' so depending on the threshold for success, the number of individuals or entities 'improved' will generally be a number fewer than the number 'served.'
- **Results from your project become ARC's Return on Investment.** If your project is selected for further review at the end of ARC's initial scoring process, you will have an opportunity to work with the ARC project coordinator assigned to your project to validate your forecasted impact measures and the methodology used in their development.
- **All POWER2020 project proposals are expected to address one (1) or more of ARC's Core Impact Measures.** These measures include 'Jobs Created,' Jobs Obtained' (reported as 'Workers/Trainees Improved'), and 'Businesses Created.' POWER2020 proposals should be developed in a way that maximizes the likelihood that your projections for these measures will be met or exceeded.

- **The pre-populated Impact Measure data fields seen in the application portal are based on the Project Classification types selected in a prior section of the application.** Not all measures found in the table are necessarily going to occur during the execution of your particular project and therefore do not need to be listed. Enter '0' and use the 'Description' field to explain why they are not applicable to your proposed activity. If there are additional measures that you wish to forecast, use the 'Additional Impact Measures' section to add metrics to your application.
- **When estimating project outcomes, be realistic.** Research the achieved outcomes of similar projects or cite industry standards to ensure performance measures aren't exaggerated or overstated.
- **Project outputs and outcomes must be measurable.** Develop a methodology to track every impact measure, both during the project period of performance and the post-award tracking timeframes. Even if an ARC-funded activity ceases operation, many important measures will continue to accrue after the POWER grant is closed.
- **Letters of Commitment are required from employers benefitting from the ARC investments.** For critical infrastructure and other construction projects, businesses should provide a letter stating their intention to create a specific number of jobs or invest a specific amount of money as a result of the project scope of work. Note: Evidence for Local Demand is required in the Project Rationale section of the Project Narrative. Letters from employers may also be appropriate when completing this portion of your POWER2020 application.