State of Mississippi

TATE REEVES
Governor

July 10, 2020

Mr. Charles Howard
Executive Director
Appalachian Regional Commission
1666 Connecticut Avenue NW, Suite 700
Washington, D.C. 20009

Dear Mr. Howard,

The State of Mississippi respectfully requests to extend the current 2020 Mississippi Annual Strategy Statement to cover Fiscal Year 2021, and submits this document to the Appalachian Regional Commission in accordance with Section 5 of The ARC Code.

The Mississippi Annual Strategy Statement addresses regional, county, and state strategies that we will focus on meeting the goals of the Commission.

I appreciate the diligent efforts of the Commission and look forward to continuing our work together. If you have any questions about this investment document, please contact Anne Hall Brashier, my ARC Alternate, or Mike Armour, my Program Manager.

Sincerely,

Tate Reeves

Tate Reeves
GOVERNOR

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2020
Appalachian Regional Commission
Strategy Statement

State of Mississippi
Governor Tate Reeves

Prepared by
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Mike Armour, ARC Program Manager

Summary

The Appalachian Regional Commission (ARC) is a regional economic development agency representing a unique partnership of federal, state and local government. Established by an act of Congress in 1965, the Commission is comprised of the governors on the 13 Appalachian States and a federal co-chair, who is appointed by the President. Local participation is provided through multi-county local/planning development districts (LDD/PDD) with support from community, business, and civic leaders. Each year Congress appropriates funds for Commission programs, which ARC allocates among its member states. Governors prepare annual State Appalachian Strategy Statements and select projects for approval by the federal co-chair. ARC has made investments in the essential elements of economic development to include safe and efficient highway systems, education, job-training and healthcare; water and sewer systems and entrepreneurial development.

In accordance with Section 5.4 of the Appalachian Regional Commission Code, this document will describe the program for achieving the goals and objectives for the State of Mississippi during the (Federal) Fiscal Year 2020. These strategies will address needs and goals of the region by targeting goals and objectives supported by Governor Tate Reeves that meet ARC's defined goals and objectives.

The Mississippi ARC program is led by the Governor's Office. Governor Reeves has appointed Ms. Anne Hall Brashier as his Alternate to ARC. Administrative responsibilities and day-to-day operations for the Mississippi ARC program have been assigned by Governor Reeves to the Director of the Appalachian Regional Office (ARO) and State Program Manager, Mr. Mike Armour. Mr. Armour is supported in the day-to-day operations at the regional level by Project Manager, Ms. Andrea Rose.

Mississippi ARO Program staff work with six (6) Planning and Development Districts in ARC project development and implementation. The Executive Director and staff of Mississippi's ARC PDDs work with their board members, elected officials, citizens, and economic developers to identify needs of their local communities.

Appalachian Mississippi

For Fiscal Year 2020, 6 of the 24 Mississippi ARC counties are designated distressed, for a concentration of distressed counties of 25%. This is an improvement from 38% in Fiscal Year 2019, and 50% in Fiscal Year 2018.

The Appalachian Region of Mississippi consists of 24 counties: Alcorn, *Benton, Calhoun, Chickasaw, Choctaw, *Clay, Itawamba, *Kemper, Lee, Lowndes, Marshall, Monroe, *Montgomery, *Noxubee, Oktibbeha, Panola, Pontotoc, Prentiss, Tippah, Tishomingo, Union, Webster, *Winston, Yalobusha.

Distressed counties (marked with an asterisk) are the most economically depressed counties, ranking in the worst 10% of the nation's counties. (www.arc.gov/maps)

2020 Targeted Investment Priorities

Mississippi Appalachia's Annual Strategy for Fiscal Year 2020 lies within the scope of Appalachian Regional Commission's current Five-Year Strategy Plan (2016-2020):

Goal 1: Economic Opportunities
Invest in entrepreneurial and business development strategies that strengthen Appalachia's economy.
Goal 2: Ready Workforce
Improve the education, knowledge, skills, and health of residents to work and succeed in Appalachia.
Goal 3: Critical Infrastructure
Invest in critical infrastructure-especially broadband; transportation, including the Appalachian Highway System; and water/wastewater system.
Goal 4: Natural and Cultural Assets
Strengthen Appalachia's community and economic development potential by leveraging the Region's natural and cultural heritage assets.
Goal 5: Leadership and Community Capacity
Build the capacity and skills of current and next generation leaders and organizations to innovate, collaborate, and advance community and economic development.

Much remains to be done, particularly in the distressed counties of our state, and distressed areas of other counties. Mississippi is working to take advantage of opportunities by utilizing collaborative partnership. These efforts at federal, state, and local level are helping Mississippi create new opportunities in targeted industries such as advanced manufacturing, automobile and parts manufacturing, aerospace and aviation, clean energy, metal fabrication and steel, and advanced materials manufacturing.

Governor Reeves has a goal of economic success for all counties in Mississippi, and he is committed to the betterment of the Appalachian region in Mississippi, and especially, the vision of socioeconomic parity with the region and the nation. Appalachian Regional Commission's mission to innovate, partner, and invest to build community capacity and strengthen economic growth in Appalachian Mississippi is reflected in Governor Reeve's priorities to achieve this success in Appalachian Mississippi:

1. Identifying private sector and high wage job creation;
2. Developing a globally competitive workforce through improvements in workforce training and readiness, education initiatives, healthy workforce initiatives, and increased educational achievement;
3. Investing in critical infrastructure including new technologies and improvement of existing resources and transportation;
4. Developing and marketing strategic natural, cultural, and local assets;
5. Supporting Mississippi Works, relevant to Appalachian Mississippi, and promoting civic entrepreneurship.

Distressed Counties

The strategies set forth in this annual plan as well as the four-year Development Plan apply in particular to Mississippi Appalachia's distressed counties. Further, the Mississippi Appalachian Regional Office will continue its collaboration with Planning and Development Districts, local economic development organizations, and local governments to enhance capacity to prepare and submit improved grant proposals from distressed counties.

Mississippi Appalachian Regional Commission Operations

The Mississippi Appalachian Regional Office will focus on areas of highest need, areas suffering from economic distress, areas with existing health hazards, areas where projects will have the most impact, and areas that are not able to help themselves. Mississippi Appalachian Regional Office requests will be considered on a case-by-case basis and must contain performance measures, outputs and outcomes consistent with those set by the Commission in their Performance Plan for FY 2020. The Planning and Development Districts (PDD) are encouraged to solicit as many proposals as possible within their service area so that the needs of the Appalachian people can be identified. The Mississippi Appalachian Regional Office staff will continue to work with the PDDs, local government officials, economic developers, non-profits, and Mississippi Development Authority to address the needs of Mississippi Appalachian citizens.

There are certain types of projects which are inappropriate for federal funding. Except for unusual circumstances, which will be fully documented and explained, the following type of activity will not be eligible for ARC funding in Mississippi: Projects related to the operation of local government (This includes construction of city halls, courthouses, jails, etc. as well as salaries and operating cost related to government functions. This restriction will not, however, extend to programs operated by local government that provide direct service to the residents of the Mississippi ARC region such as education or health services.)

General Funding Timelines and Procedures

- Generally, Pre-Applications are due by September 30.
- Applications are reviewed and rated by Mississippi ARO staff according to ARC guidelines. Submissions are screened based on criteria below.
- Projects selected for further review go to the Governor who makes final recommendations for full project submissions.
- Proposals which are reserved for funding and invited to submit full applications are usually notified during the last quarter of the year.
- Full ARC project submissions are normally due within 60 days of being called for full application, or the first quarter of the year.
- Applicants are strongly encouraged to work with their local PDD for Technical Assistance with Pre-Applications or Full Submissions.

In addition to meeting the requirements of the ARDA of 1965, all projects must demonstrate a contribution to achievement of one or more of the Commission's strategic goals, except that the state may request, in accordance with Section 303 of ARDA, approval

of a project or projects without such supporting demonstration to take advantage of special development opportunities, or to respond to emergency economic distress.

The Mississippi ARO works with ARC to conduct workshops for applicants and grantees. Project applications must include measurable outputs and outcomes that are consistent with and can be measured in accordance to federal and state performance measurement requirements. All projects must track the actual outputs and outcomes for up to three years after project completion. This may be monitored by MDA, ARO, ARC and/or the ARC Office of Inspector General or other federal and state entities.

Mississippi does not put a firm dollar cap on amount of funding a participant can request. Funding levels are limited by the ARC Code based on county classification and type of project. The Governor reserves the right to approve or reject the requested amount of ARC funding for the project and does not have to award funds at the maximum funding level.

Funding for operation grants is usually limited to an initial year and one year's continuation if deemed necessary. No project is guaranteed more than one year of support. Generally, ARC funds will be reduced if a second year of funding is approved. Proposals should include a plan for continuation of the program after ARC funds are expended.

ARC participation cost shall be limited to 50% of project costs with the following exceptions:

- Projects located in ARC designated distressed counties may receive a maximum of 80% of project costs, with a corresponding 20% match
- Projects located in ARC designated at-risk counties may receive a maximum of 70% of project costs, with a corresponding 30% match
- ARC assistance for multi-county projects in which at least half of the counties are distressed may be increased to as much as 80% of project costs.
- If at least one, but less than half of counties are distressed, ARC assistance is limited to the highest of 50% or the average percentage applicable to the counties in the project. Multi-county projects may be partly funded from distressed county funds and area development funds based on the number of distressed counties and non-distressed counties identified in the project.

The following criteria will be used to score and rank projects for recommendation to Governor Reeves for consideration:

- Alignment of project with Mississippi Strategies and ARC Investment Goals
- Projects with other federal and state agency funding will be given higher priority
- Strength of overall financial plan for project
- Amount of ARC funds applicant has received to date
- Amount of time since most recent ARC funds received
- Past ARC project performance
- Private investment in the project

- Ratio of local match to ARC funds
- Severity and/or imminence of project need
- Jobs created and/or retained
- Project scope and cost effectiveness
- Proposed performance measures
- Benchmarks, Timelines, Action Plan completeness

Projects will be evaluated based on committed and expected financial resources. Projects with private investment will be scored highest. Projects with secured local, state, or other federal funds will be given higher scores than those with expected or applied for funds. These projects should include letters of commitment from these sources.

At any time during the fiscal year, the ARO, with the permission of the Governor and the ARC Alternate, reserves the right to fast-tract a project to supersede all applications when the project will create private sector or high wage jobs. The better and the higher paying the jobs, in comparison with prevailing local employment characteristics, the more aggressive the Mississippi Appalachian Regional Office will be in designating the project an Economic Development Priority.

The Governor may reserve the right to recommend projects for final approval that are not included in the enclosed list of objectives and strategies but are consistent with the goals and objectives outlines in ARC's Strategic Plan and Mississippi's 4-Year Plan.