



January 14, 2022

Dear Mr. McBride:

Attached is Ohio's 2022 Appalachian Regional Commission Annual Strategy Statement, which is consistent with Section 5 of the ARC Code. An outline of Ohio's goals and priorities for the program year are included in this document.

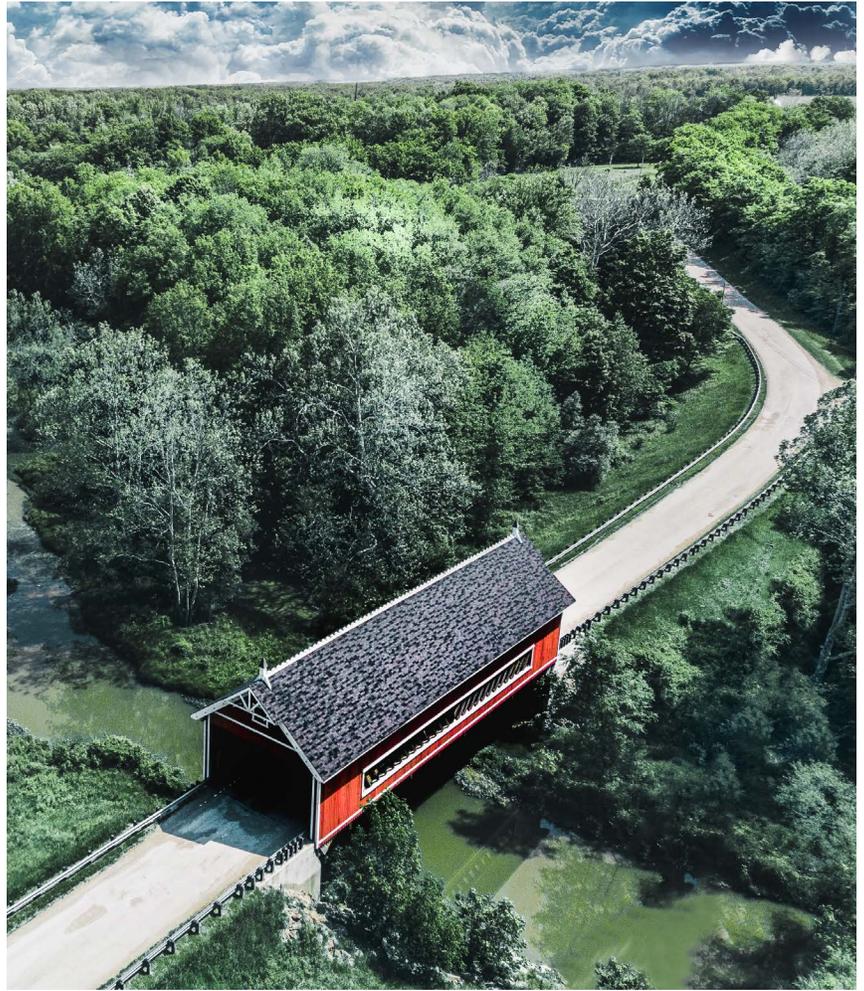
Having served as the 2020 Appalachian Regional Commission co-chair, I have great interest in and recognition of the importance of these programs and funding opportunities. I am pleased to present these strategies and results, as they are imperative to the development of our Appalachian region. This document explains what Ohio's areas of focus are for 2022 in accordance with ARC's strategic plan.

Should you have any questions, please contact my state alternate, Director John Carey, at (614) 653-0203; Julia Hinten, Ohio's ARC Program Manager, at (614) 728-4878; or Austin Ward, Appalachian Program Coordinator, at (614) 561-0173. Thank you.

Very respectfully yours,

A handwritten signature in black ink that reads "Mike DeWine". The signature is written in a cursive, flowing style.

Mike DeWine  
Governor



# State of Ohio Appalachian Regional Commission 2022 Annual Strategy Statement



Department of  
Development

**Mike DeWine**, Governor  
**Jon Husted**, Lt. Governor

**Lydia L. Mihalik**, Director

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*Downtown Portsmouth, Ohio.*



*Downtown Gallipolis, Ohio.*

## Introduction

The State of Ohio submits this Annual Strategy Statement in compliance with Chapter 5 of the Appalachian Regional Development Commission (ARC) Code.

Ohio's 2022 Annual Strategy Statement describes the Governor's goals, objectives, and priorities for Ohio's 32 Appalachian counties and serves as a guidance document for the Governor's Office of Appalachia (GOA) and Ohio's four Local Development Districts (LDDs). The priorities presented are designed to address Appalachian Ohio's unique needs and to improve the region's community, educational, and economic prosperity by focusing ARC and State of Ohio funds.

### **Specifically, the 2022 Strategy Statement:**

1. Discusses the economic challenges and opportunities, as well as new developments and resources that impact Ohio's Appalachian counties.
2. Provides an overview of targeted investment priorities for the program year.
3. Identifies specific strategies for the state's distressed counties and areas.
4. Outlines Ohio's ARC program operating policies.
5. Describes the methods used to solicit, review, and select projects.

Governor Mike DeWine serves as Ohio's Commission member. The Governor's Office of Appalachia administers project funds in Ohio. John Carey serves as the Director for GOA and the Governor's alternate, Julia Hinten is the ARC program manager, and Austin Ward is the Appalachia program coordinator. This Annual Strategy Statement includes input from the Director and staff, the four LDDs, the Governor's office, and the Ohio Department of Development.



*GOA Director John Carey touring Speyside Bourbon Cooperage in Jackson, Ohio.*

## Overview and Assessment of Ohio’s Appalachian Region

### Ohio’s Appalachian Region

Appalachian Ohio is a 32-county area sitting along the eastern and southern borders of the state. The region covers more than 39% of Ohio and features a diverse terrain. Ohio’s 32 contiguous Appalachian 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.

The region is sparsely populated, with just over 124 persons per square mile compared to the statewide average of 285 persons per square mile. As of 2019, Ohio’s Appalachian population was just under 2 million.

Most of the region faces a population decline. From 2010 to 2019, the region lost over 53,000 residents and is estimated to lose nearly 49,000 more by 2030. This reflects the nationwide trend of population loss in rural areas.

The region faces low developed land use, nearly 9% compared to the statewide average of almost 14%. Over 58% of the region is forest. Appalachian Ohio is less racially diverse and less educated than the rest of the state. Ninety-two percent of the population identify as white – compared to 81% statewide – while over 26% have a college degree or higher versus 36% statewide.

Appalachian Ohio has a unique past. Historically, coal has been a major economic driver for much of the region. Agriculture, steel, and manufacturing are other leading industries. The region has faced various economic booms and downturns but is home to a resilient population with a strong sense of community.

The region is rooted in innovation. New Concord is home to pioneering astronaut John Glenn. This innovative spirit is alive and well at Global Cooling in Athens, a refrigeration company whose technology was pivotal in safely shipping COVID-19 vaccines across the nation. Other innovative companies make everything from products from recycled materials at Lawrence County Pure Recycling to handcrafted spirits barrels at Speyside Bourbon Cooperage.

# Economic Challenges and Opportunities

## Challenges

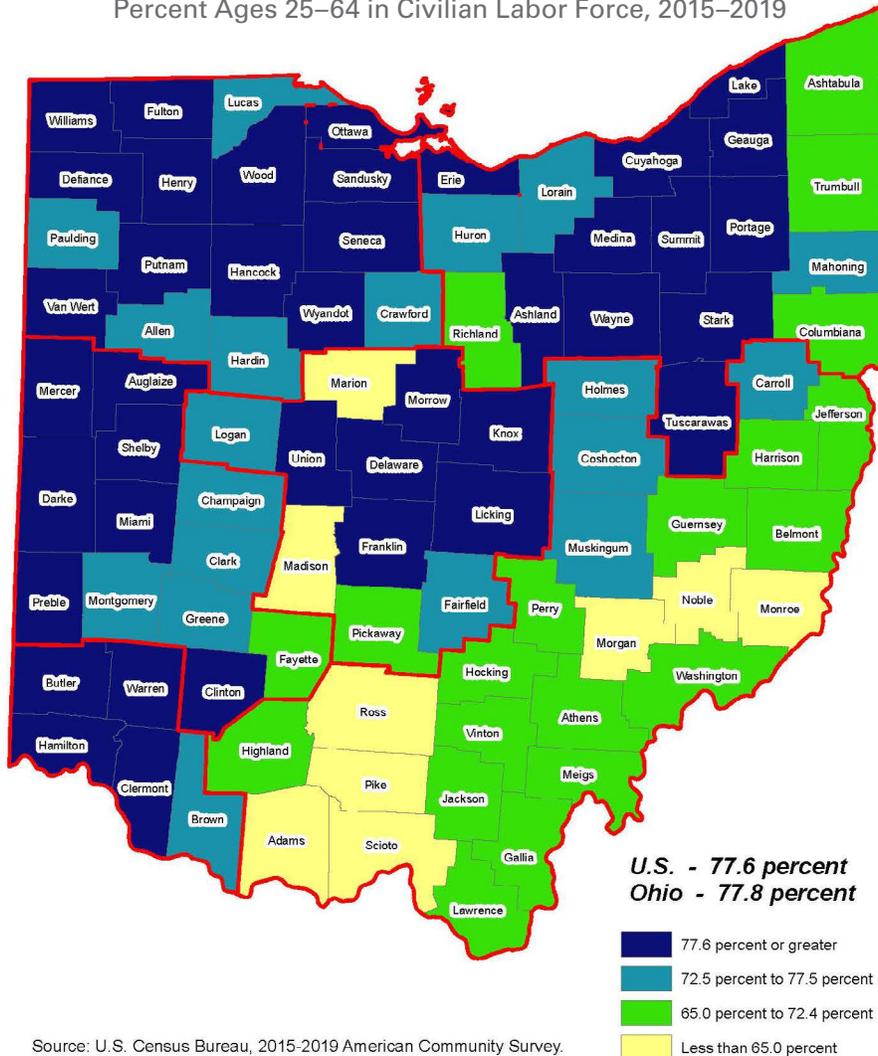
Throughout its history, Appalachian Ohio has experienced significant economic hardship. *Using data from the Ohio Department of Development*, the median household income in Appalachian Ohio is \$47,573 compared to \$54,533 for the state as a whole. Approximately 12.4% of Appalachian Ohioans live below the poverty line compared to 10.4% statewide. Additionally, an aging population and overall decline in population pose a challenge in Appalachia. Nine of Ohio’s 88 counties experienced an increase in the percent of the population in poverty from 2010–2014 to 2015–2019. Eight of these counties are in Appalachia.

**Ohio’s Appalachian region faces numerous other challenges including:**

- Access to clean drinking water.
- Access to health care and mental health resources.
- Aging population.
- Deteriorating infrastructure.
- Lack of broadband access.
- Substance use disorder and addiction related issues.
- Gaps in workforce, labor participation rate, and available jobs.
- COVID-19 pandemic health and economic impacts.

### Ohio’s Appalachian counties generally have lower labor force participation rate than the rest of the state.

Percent Ages 25–64 in Civilian Labor Force, 2015–2019



Source: U.S. Census Bureau, 2015-2019 American Community Survey.

## Opportunities

Despite these challenges, Ohio is also home to valuable resources and unique opportunities. Appalachian Ohio's location in the foothills of the Appalachian Mountains leads to a unique, diverse terrain perfect for hiking and biking, featuring beautiful waterways for boating or fishing, and even sandy beaches on the northern coast. These natural and cultural assets are a major strength and help make the region ripe for tourism growth.

Governor DeWine has directed his cabinet to work in cooperation with GOA. GOA has developed several valuable partnerships aimed at solving important problems and capitalizing on emerging opportunities. These partnerships include other offices in Development, state agencies, local officials, and economic development groups just to name a few. Through these relationships, GOA will pool resources and knowledge to help improve opportunities in the region. Currently, GOA is working with over a dozen state agencies on various projects.

Governor DeWine has a strong focus on revitalizing downtowns. By connecting downtowns to existing natural resources like Ohio's growing trails system and state and local parks, Ohio can grow businesses and provide more opportunities in the local economy.

Ohio has a strong focus on building its workforce. GOA partners with many organizations that are fostering workforce development. Through programs across the region, like the Youngstown Business Incubator, Building Bridges to Careers, the Sustainable Opportunity Development Center and Collins Career Center, Ohio is focused on creating careers that foster entrepreneurship.

## What You'll Find in Appalachia Ohio



**73%** of Ohio's state parks, forests, preserves, waterways, and wildlife areas (562,468 acres)



**38** State Parks



**29** State Forests



### Miles of existing trail systems

- Multi-use trails
- Hiking Trails
- Motorized trails
- Mountain biking trails
- Equestrian trails
- Water trails



### Tourism anchors

- Hocking Hills
- Holmes County Amish Country
- Lake Erie



Kayaking in Ashtabula, Ohio.

## State Policies and Processes

The Governor’s Office of Appalachia (GOA) is responsible for preparing the area development projects through coordinated efforts with the LDDs and their members, nonprofit organizations, local communities, and JobsOhio and their regional partner organizations. GOA ensures the 32-county Appalachian region has access to all available state programs and administers ARC funds. Ohio is the only state in the 13-state federal Appalachian region to match ARC funding with state funding.

### Local Development Districts (LDDs)

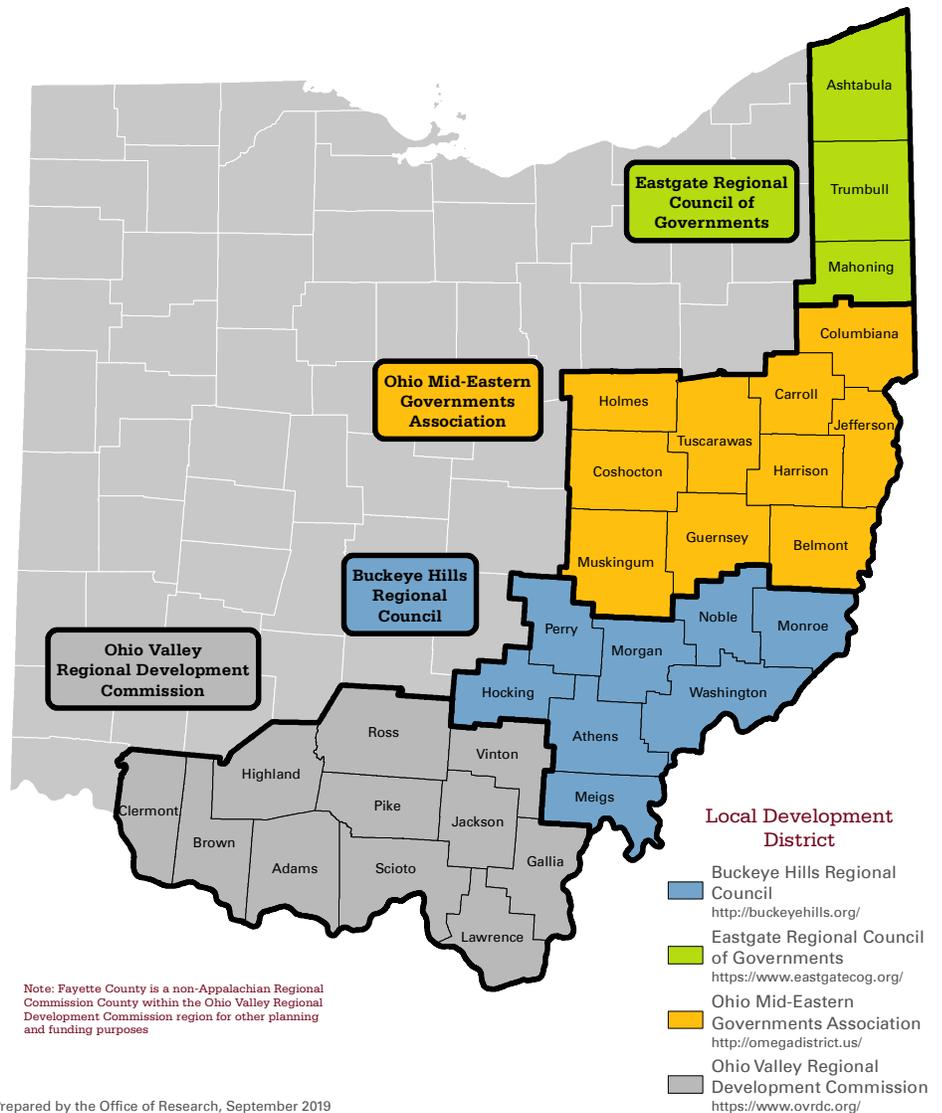
The role of LDDs is to coordinate project development at the local and county levels, then advance the projects to the state GOA office. Ohio’s four LDDs are:

- Buckeye Hills Regional Council (Buckeye Hills)
- Eastgate Regional Council of Governments (Eastgate)
- Ohio Mid-Eastern Governments Association (OMEGA)
- Ohio Valley Regional Development Commission (OVRDC)

The LDDs prioritize their local communities’ concerns and work with board members and other local citizens to develop economic development plans. They focus on their most pressing needs and build community unity and leadership. Using a “bottom-up” approach, local communities and the LDDs prioritize projects through a scoring process. The scoring criteria includes provisions to focus additional support, funding, and resources for counties designated as “distressed” by ARC.

The LDDs take the lead role in identifying the unique strengths, barriers, opportunities, and threats to their member-counties.

The LDDs work with their governing boards, members, and citizen advisory groups to evaluate and prioritize the economic needs in their respective regions and identify solutions organized around ARC’s five goals.





GOA Director John Carey and Lieutenant Governor Jon Husted announcing a broadband pilot project in Portsmouth, Ohio.

## Ohio's Investment Priorities for 2022

### Broadband

In today's economy, and emphasized throughout the COVID-19 pandemic, broadband has become a necessity rather than a luxury. This is especially true in Appalachia, where even fewer people have access to a secure, reliable internet connection. This deficiency poses a serious concern as the country and world continue to shift to more virtual options. The workforce, education, healthcare sectors and much more face negative impacts as a result of slow or nonexistent broadband access.

The DeWine Administration is focused on bridging the digital gap for all Ohioans. In March 2020, Governor DeWine established the office of BroadbandOhio, dedicated to increasing broadband efforts across the state. GOA works closely with BroadbandOhio to organize broadband implementation in Appalachian Ohio.

Recent Appalachian projects include the [\*\*Telehealth pilot project at Switzerland of Ohio School District in Monroe County\*\*](#), the largest school district geographically in Appalachia. The project will give K-12 students access to behavioral health services, allowing a therapist in any one building to communicate to any other buildings, virtually. Previously, therapists traveled between the eight buildings in the district's 500 square mile footprint. By allowing services to be offered virtually, therapists can now avoid the 60-minute commute between schools and serve more students within the 2,000 student-district. Phase 2 of the project will work to connect the school's existing fiber-optic network directly to remote

offices of mental health professionals, so students can have access to care and additional services, beyond the two counselors who physically work in the schools. The first such connection is with pilot project partner, Southeast Healthcare Facilities.

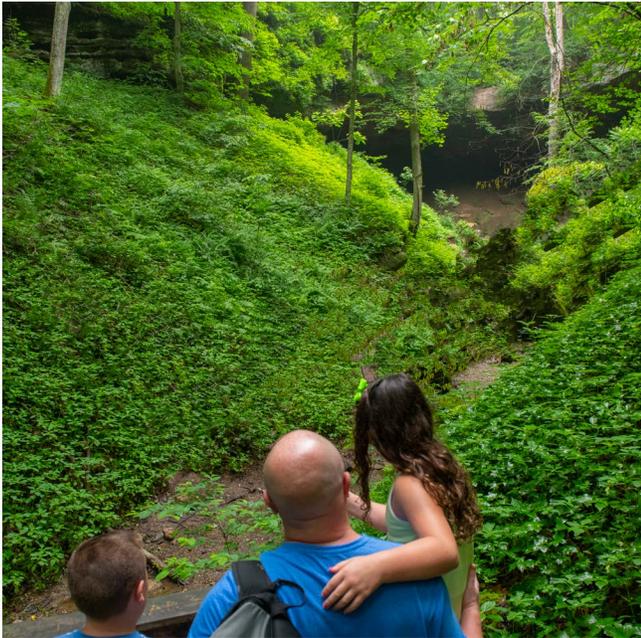
The school district leveraged additional dollars through the Appalachian Regional Commission to receive a \$500,000 grant that will extend broadband into the community, as a last mile connection point. Currently, over 70% of the community in Monroe County is completely unserved.

Another project, the Washington County/MARCS Tower Pilot Project will expand broadband access to hundreds of households using existing state resources. Multi-Agency Radio Communications Systems towers, known as MARCS towers, are located across the state to allow emergency and law enforcement personnel to communicate during emergencies. The project allows the Southeast Ohio Broadband Cooperative to utilize these towers, which will give internet coverage to hundreds of previously unserved homes in range.

Through funding made available by the legislature, BroadbandOhio launched the Ohio Residential Broadband Expansion Grant (ORBEG) program in 2021. Two hundred and fifty million in awards will be available for residential broadband projects. Additionally, GOA utilizes ARC funds to provide technical assistance for broadband and state basic agency projects. This has led to a higher volume of broadband implementation applications in the region.

## Tourism

Tourism can be a great economic driver. In Appalachia, it offers many opportunities for growth. The Governor's office of Appalachia has been working with TourismOhio for several years to put together a coordinated strategy for tourism growth in the region. Through partnerships with other state agencies, such as the Ohio Department of Natural Resources, as well as local convention and visitors' bureaus, economic organizations, and business, GOA is working to help increase the number of visitors to local communities and build tourism strategies.



*Hosak's Cave Falls in Lore City, Ohio.*

Additionally, GOA participates in TourismOhio's yearly co-op, which provides focused marketing, storytelling, and social media efforts surrounding the region. For local communities, the program provides a 50% marketing match, which helps areas with small tourism budgets promote their regions.

In 2020, the co-op partnership led to the creation of a multifaceted storytelling campaign highlighting the region. The storytelling hub, [\*\*\*5 Ways to Explore Ohio's Appalachian Country\*\*\*](#), featured inspiring content for visitation to the region. The article was turned into five individual blogs featured in Travel Inspiration on Ohio.org, gaining over 7,000 unique pageviews in one week. The overall campaign delivered more than 5.4 million impressions and 600,000 video views.



*Miss Grapette court members at the Geneva Grape Jamboree.*

The 2021 storytelling campaign highlighted [\*\*\*hidden gems in the region\*\*\*](#), stretching from the Ohio River on the southern end to the northern shore of Lake Erie. The website has over 48,000 unique views from October to December 2021. The campaign also included a video of the region with over 10,000 unique views and over 440,000 social views.

### Other ongoing tourism strategies include:

- Promoting the region's best assets by establishing a positive regional image featuring the people living within Appalachia and encouraging potential visitors to see the region's generous hospitality and appeal.
- Utilizing LDDs to help identify places of interest to highlight.
- Providing the Economic Impact Report generated by Ohio's Appalachian Country with funding assistance. This organization uses data to drive policy discussion and investments in Appalachian tourism. The report assists counties in marketing tourism as an economic development focus.



*Nelsonville Music Festival in Nelsonville, Ohio.*



*Geneva-On-The-Lake in Ashtabula, Ohio.*

## Water

Lack of access to clean tap water is still an issue for many in Ohio’s Appalachian counties. Governor DeWine created the H2Ohio Council and Fund to invest in targeted solutions to ensure safe and clean water.

In 2020 and 2021, GOA worked with the Voinovich School at Ohio University to estimate how many people are without access to a water system. GOA and Ohio University met with all 32 counties to map existing water lines in the Appalachian region. As of November 2021, nearly all the water lines had been mapped. This data is critical to help allocate resources to those without access and will prove to be a valuable tool going forward.

## Economic Development and Entrepreneurship

Historically, the region has been a major contributor to the nation’s need for timber, charcoal and coal. The decline in coal and coal-related industry has been a hard-felt loss to Ohio’s Appalachia region. GOA and OhioSE are working together to focus on cluster development to offset this loss.

Fostering economic development and entrepreneurship will continue to be a focus for 2022. GOA and the LDDs are promoting the Governor’s TechCred program to companies throughout the region. The TechCred program will help Ohioans learn new skills and help employers build a stronger workforce with the skills needed in a technology-infused economy. The office will hold a STEM camp in partnership with Buckeye Hills and Building Bridges to Careers. It is our goal to expand our reach and add additional partners that can help instill entrepreneurial mindsets in our young Appalachian population.

## Consolidated Technical Assistance and Registered State Basic Agency

The Governor’s Office of Appalachia also utilizes ARC’s Consolidated Technical Assistance program. This grant allows Ohio to receive federal funds with the goal of expanding capacity. The grant helps support two full-time positions in the office and provides supplemental funding for Ohio’s LDDs. The Consolidated Technical Assistance program has been a valuable resource for Appalachian Ohio.

Additionally, the Governor’s Office of Appalachia also serves as a Registered State Basic Agency (RSBA) for federal ARC construction projects. This allows for more flexibility and support for projects within Ohio. The Department of Development utilizes Appalachian Management Systems, LLC to help perform the necessary duties of a RSBA. An ARC grant also helps fund the office to serve in this role. Ohio would have significantly less flexibility and fewer construction projects without the RSBA program.



*GOA Director Carey touring Long Ridge Energy Terminal in Hannibal, Ohio.*

## Distressed Counties

Ohio has five distressed counties in Program Year 2022. These counties include Adams, Athens, Meigs, Monroe, and Noble. While each county has its own unique challenges, all five face similar issues and trends. Adams, Meigs, and Monroe counties all lack adult workforce training centers. GOA will work with other state agencies, the LDDs and other organizations in the region, and local officials, and other organizations in the region to address the specific needs of each distressed county.

Meigs and Adams counties are in the process of constructing adult workforce centers. Funding for these will help both counties and their surrounding communities strengthen their workforce by offering retraining programs that prepare workers for fast growing careers in the modern economy. ARC POWER projects were awarded in both Noble and Monroe counties. Both projects are innovative and will boost opportunities in local school districts. Athens County is uniquely positioned to grow economically, as it is home to regional assets such as Ohio University, Baileys Trail System, and many others. Several projects are underway in these five counties via ARC Distressed County funds.

## State Policy Overview of Ohio's Appalachian Development Program

### Program Overview

The Governor's Office of Appalachia coordinates with Ohio's four Local Development Districts (LDDs) to administer the following programs: Appalachian Local Access Road, Area Development, and Distressed Counties. The office also reviews and helps solicit applications for ARC's competitive POWER and INSPIRE initiatives. Funds for these programs come from either the Appalachian Regional Commission or the State of Ohio's General Revenue Fund (GRF).

Interested applicants work directly with their LDD to design and refine proposed projects. For most of the grant programs, applicants submit completed pre-application or application forms to their LDD and apply for funding. LDD staff and board members review, score, and rank applications to create a board-approved district funding package. The Local Development Districts submit the funding packages to the ARC Program Manager and the Governor's Office of Appalachia Director for review. Projects included in Ohio's investment packages support the goals and objectives of the ARC and the State of Ohio Four-Year Appalachian Development Plan and Annual Strategy Statements. GOA will review all projects for ARC eligibility, feasibility, match commitments and to ensure the outcomes and outputs align with ARC code and program guidelines.

All projects funded with federal ARC or state Appalachian development funds require a match based on the ARC-determined economic status of the county where the project will be located. Based on the county economic designation and total project cost, match is determined by the following requirements:

#### County Designation and Match

- Distressed: 80/20 percent
- At-Risk: 70/30 percent
- Transitional: 50/50 percent
- Competitive: 30/70 percent
- Attainment: ARC and state Appalachian development funding is usually not available for projects located in ARC designated attainment counties



*Smolen-Gulf Bridge in Ashtabula County, Ohio.*

## Ineligible Projects

Projects and activities that are ineligible for federal ARC funds or State Appalachian funds are:

- Projects related to local governments' general operations, including constructing city halls, courthouses, jails, and fire departments as well as salaries and operating costs related to these governmental functions.
- Political activities of any kind, whether at the local, state, or national level.
- Project activity in attainment counties.
- Constructing schools.
- Indirect costs.

## Project Timeline

Construction projects should be designed to be completed within a 24-month timeline and non-construction within a 12-month timeline. Projects requiring a longer timeline will be considered on a case-by-case basis. The ARC Program Manager may withdraw the balance of funds if a project cannot be completed within the agreed upon project period. ARC reserves the right to withdraw grants for projects not under contract within 18 months of approval.

## ARC Competitive Programs: POWER and INSPIRE

ARC's INSPIRE and POWER programs have had a major impact in Ohio.

The INSPIRE program was developed by ARC following a series of listening sessions across the region focused on Substance Use Disorder (SUD). Recovery-to-work has been a major focus for Governor DeWine throughout his administration and during his role as ARC States' Co-Chair in 2020. Since its establishment in April 2021, Ohio has received funding for seven INSPIRE projects totaling over \$2.7 million in investments.

The POWER program is a unique opportunity for coal-impacted communities to receive funding for transformational projects that can effectively boost the regional economy. Many coal communities have faced severe economic downturns as a result of continuous decreases in coal mining. POWER projects give coal-impacted communities opportunities for economic replacements. Since the establishment of the POWER program in 2015, 40 Ohio-based projects have been awarded, totaling over \$27.9 million in investments in Ohio communities.

ARC's POWER Technical Assistance grant program allows the Governor's Office of Appalachia to contract with two individuals who have the capacity and expertise to assist in the project development and grant writing processes.

## ARC Youth Programs

ARC's annual Oak Ridge Summer STEM Program continues to generate interest in Ohio. In 2021, two middle school and two high school students participated in the program virtually.

In 2020-2021, Ohio had a high level of participation in ARC's Appalachian Entrepreneurship Academy as well. Of the 12 Appalachian students who participated virtually, four of them were from Ohio.

In 2019, Ohio developed its own STEM camp, in partnership with Building Bridges to Careers. The program originated as a way for students who were not chosen or able to attend ARC's Oak Ridge Summer STEM program to participate in a local version of the program. The 2021 program was held virtually, with a total of 35 students from five high schools in the region participating.



*Students at the 2019 Oak Ridge Summer STEM Program.*