



Appalachian
Regional
Commission

Appalachian Regional Commission

Equity Action Plan

Executive summary

The Appalachian Regional Commission (ARC, the Commission) is a regional economic development agency representing a unique partnership of federal, state, and local governments. Established by an act of Congress in 1965, ARC was created with the realization that the complex challenges of the geographically isolated, economically disadvantaged 13-state Appalachian Region required a tailored approach to overcome systemic generational poverty and to diversify and transform the economy. The mission of ARC is to Innovate, partner, and invest to build community capacity and strengthen economic growth in Appalachia.

Executive Order 13985 “Advancing Racial Equity and Support for Underserved Communities Through the Federal Government,” directs agencies to address barriers that have prevented “underserved communities” from participating fully in aspects of economic, social, and civic life. ARC will implement programmatic activities developed to help close the economic gap between Appalachia and the rest of the nation and bring the Region’s 423 counties and 25.7 million residents into the economic mainstream. ARC will increase its effort on community capacity building in the Appalachian Region to assist some of the most economically distressed communities in strategic planning, collaboration in order to better access other federal resources and to design transformational activities that diversify the Appalachian economy.

ARC recently updated its strategic plan. This process includes comprehensive public outreach in order to receive stakeholder input necessary to design the next phase of programmatic activities. Specific stakeholder engagement forums were designed to highlight underrepresented groups including, but not limited to Historic Black Colleges and Universities (HBCUs). Data collected was analyzed and presented to the Commission partners with equity emerging as a theme or guiding principle that imbedded embedded in the design of the new plan.

Summary of early accomplishments

With the new strategic plan in place including equity as a guiding principal, ARC moves forward designing activities that best reach the most underserved communities that suffer from high/persistent poverty and high unemployment. Many of the ARC communities have long

depended on single sector economies and have been decimated by economic downturns such as the recent shifts in the nation's energy sector. These communities require significant capacity building and technical assistance to design successful economic development strategies. ARC has done the following:

- Allocation of special discretionary funding in the amount of almost \$1M in a partnership with the Environmental Protection Agency to implement a pilot capacity building initiative for underserved communities.
- Development of a series of capacity building and training sessions for community elected officials and Local Development Districts to better position them to participate in national funding opportunities such the American Rescue Plan Act as well as other national program solicitations.
- Worked with Commission partners on funding allocation to ensure that at least \$10M in funding can be made available for communities to develop strategies or design proposals that could be funded through ARC or any of ARC's federal partner agencies.

Equity action plan

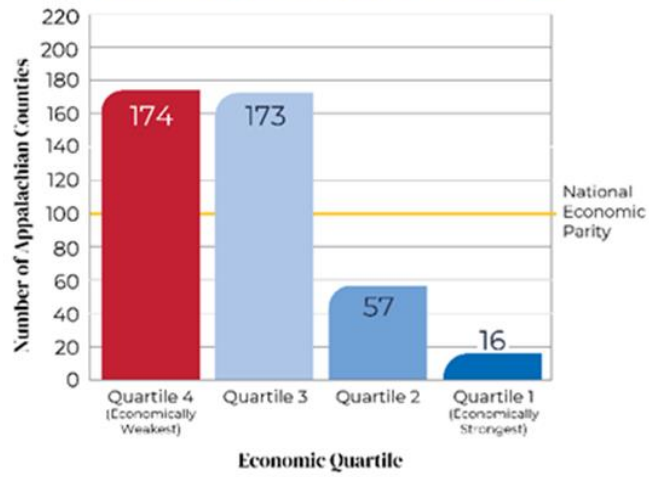
- ARC will make strategic investments in the capacity of local leaders, organizations, and communities to address local challenges by providing technical assistance and support to access resources, engage partners, identify strategies and tactics, and conduct effective planning and project execution. Out-migration and a lack of focus and investment in leadership and community development has left many communities in the Region without the capacity needed to capitalize on funding opportunities and steer investments to successful outcomes.
- ARC will develop a regional network of upcoming leaders through the Appalachian Leadership Institute, a comprehensive leadership and economic development training opportunity for Appalachians who are passionate about helping their communities thrive. Upon completion of the Institute, the participants will be organized into an alumni network through which they can continue to engage and share best practices and lessons learned.
- ARC will make strategic investments to ensure that the residents and businesses of Appalachia have access to reliable and affordable utilities and infrastructure in order to successfully live and work in the Region. Businesses and residents alike require access to affordable and reliable utilities as well as safe, connected, and strategic transportation systems. However, residents and leaders within Appalachia are plagued by aging, inadequate, and unavailable infrastructure that creates a significant and crosscutting barrier to community prosperity and negatively impacts business and talent attraction and retention, workforce development, community and individual prosperity, and access to healthcare and education. Difficult geography, traditionally underfunded infrastructure systems, and declining revenue are just some of the barriers to building and sustaining Appalachia's infrastructure.

- ARC will make strategic investments to ensure that all Appalachians have access to quality and affordable telecommunications and broadband services. The pandemic and resulting need for remote work, school, and telehealth highlighted both the importance of broadband and cellular access and affordability as well as the severe limitations of these services in portions of Appalachia, both rural and urban. Reliable and affordable broadband gives local businesses access to the digital marketplace, facilitates online learning and workforce development, and connects communities. ARC's investments in broadband and data infrastructure help Appalachian communities—especially those in rural and/or distressed counties and areas—compete and participate in the global economy.
- ARC will continue work to complete the Appalachian Development Highway System and invest in innovative intermodal transportation systems to connect businesses and residents within the Region with global opportunities. Roads, highways, and public and personal transit are important not just to economic growth and prosperity but also critical for quality of life, and accessing employment opportunities and all the related employment supports residents need. The Region continues to struggle with equitable access to reliable, quality transportation systems that can efficiently and conveniently transport goods and people. Increased funding and planning support for transportation infrastructure improvements and innovations in transportation planning are needed for the Region to continue to be an attractive place to live, work, and do business.
- ARC will develop a network of employment supports to help Appalachians enter and remain in the workforce. In many communities across Appalachia, even if job opportunities are available to residents, a lack of transportation, childcare, eldercare, affordable housing, food, and other key factors can make those jobs inaccessible or unsustainable. An additional critical barrier for a disproportionate number of Appalachians is substance use disorder and opioid misuse, which further undermines the ability of those impacted to access employment and education opportunities; take care of their physical, mental and financial well-being; and contribute to overall economic growth.

Tracking Progress

Every year, ARC applies an index-based classification system to compare each county in the Appalachian Region with national averages to understand how counties are performing economically. Analyzing three-year average unemployment rates, per capita market income, and poverty rates, each one of Appalachia's 423 counties is then classified within one of five economic status designations—distressed, at-risk, transitional, competitive, or attainment. The designations are used to determine the match requirements for ARC grants, as well as support investment strategies that augment the reach and impact of ARC's funding, targeting resources to the Region's most distressed communities in order to reduce the disproportionately high rate of economic distress in Appalachia. The chart below demonstrates that the Appalachian Region has more distressed counties and less economically competitive counties when compared to the nation. ARC will achieve equity for Appalachia through targeted investing and technical assistance activities that produce parity the quartile system.

Number of Appalachian Counties by Economic Quartile, Fiscal Year 2022



Note: Congress recently added counties to the ARC Region in Reauthorization legislation – Quartile analysis is currently being updated to include new counties.