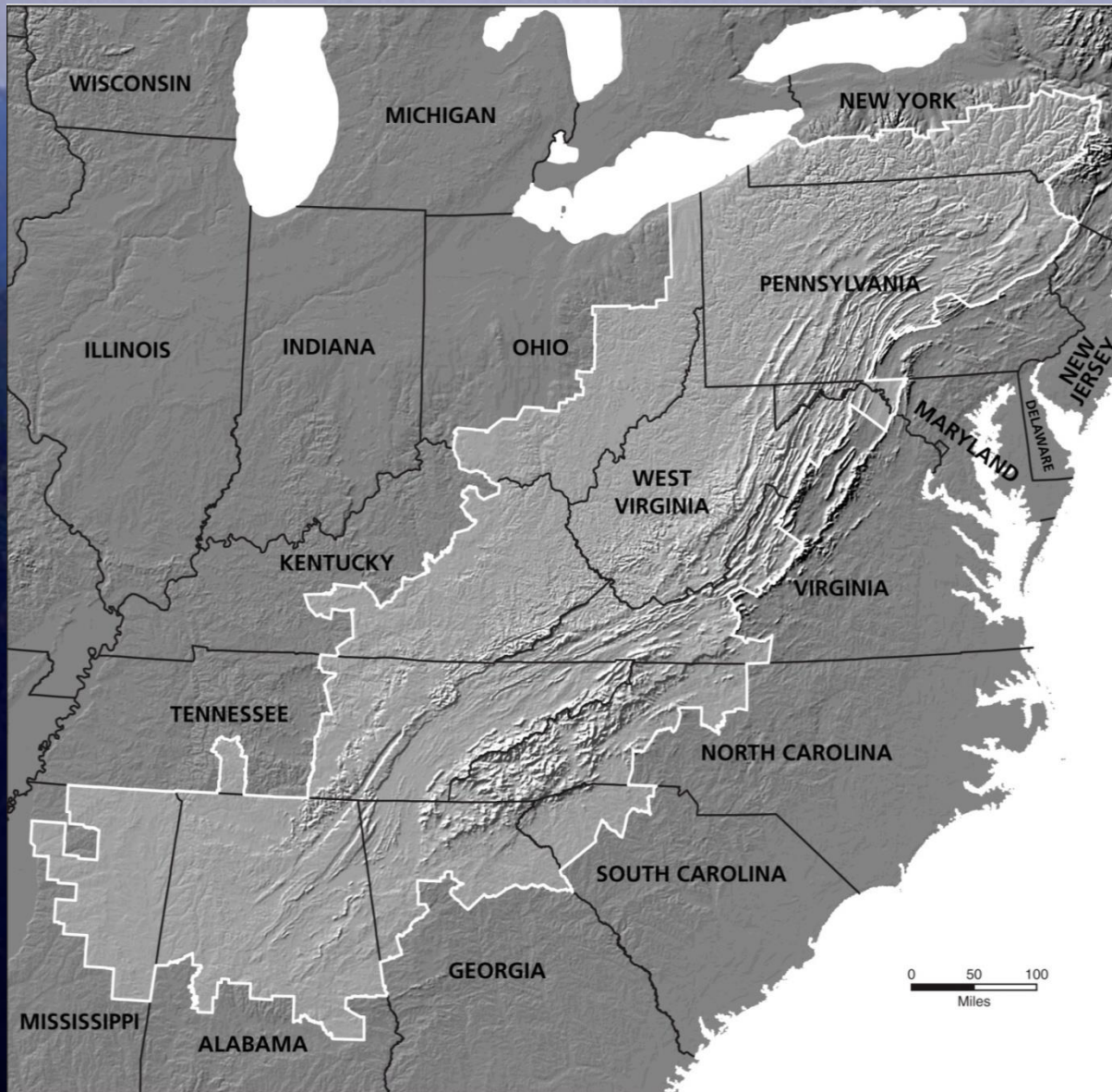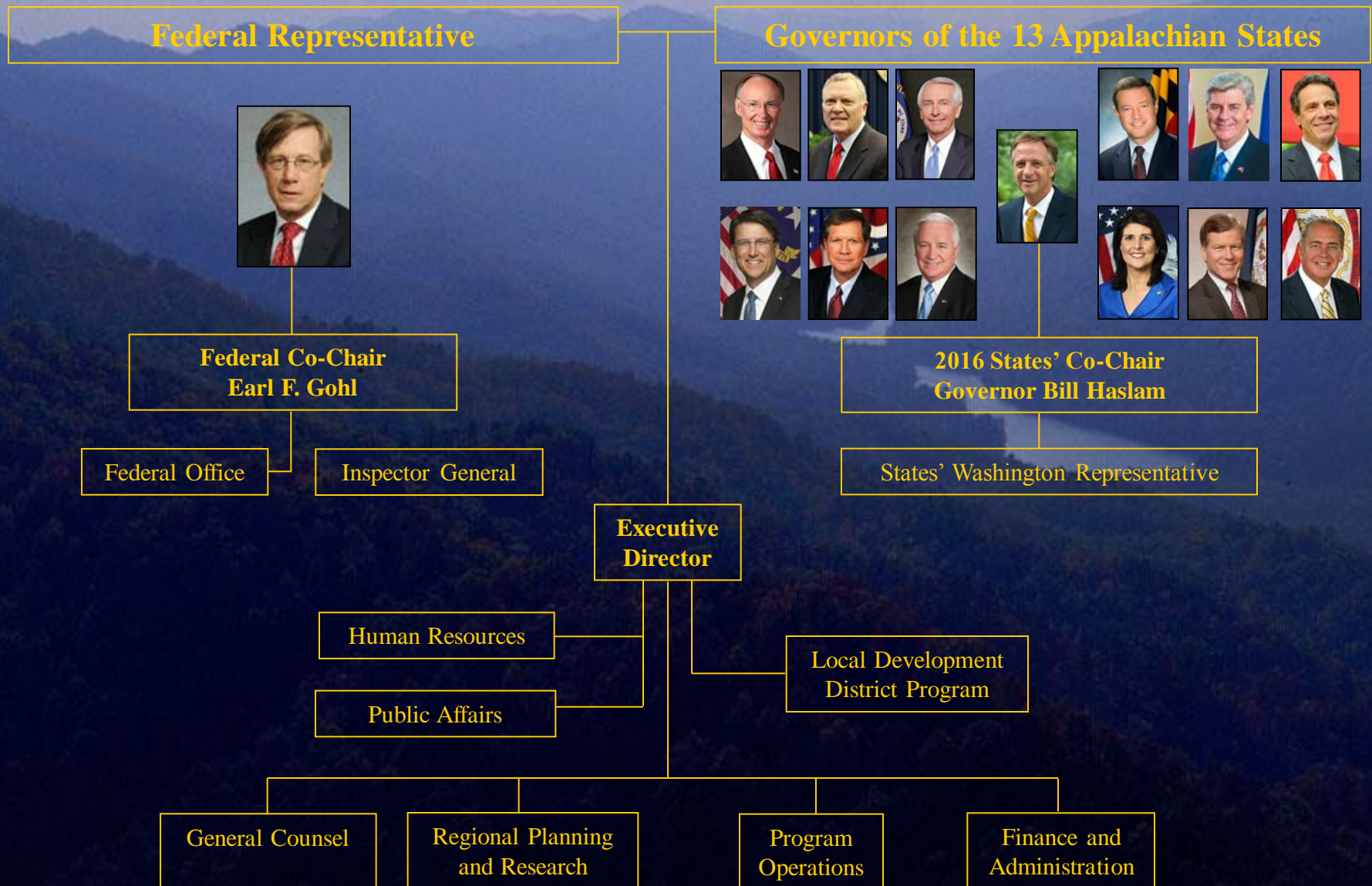# *The Appalachian Region*

- 205,000 miles^2
- 13 States
- 420 Counties
- 23.6 million people

Appalachian Regional Commission

Federal Representative

Governors of the 13 Appalachian States

**Federal Co-Chair
Earl F. Gohl**

**2016 States' Co-Chair
Governor Bill Haslam**

Federal Office

Inspector General

States' Washington Representative

Executive Director

Human Resources

Local Development District Program

Public Affairs

General Counsel

Regional Planning and Research
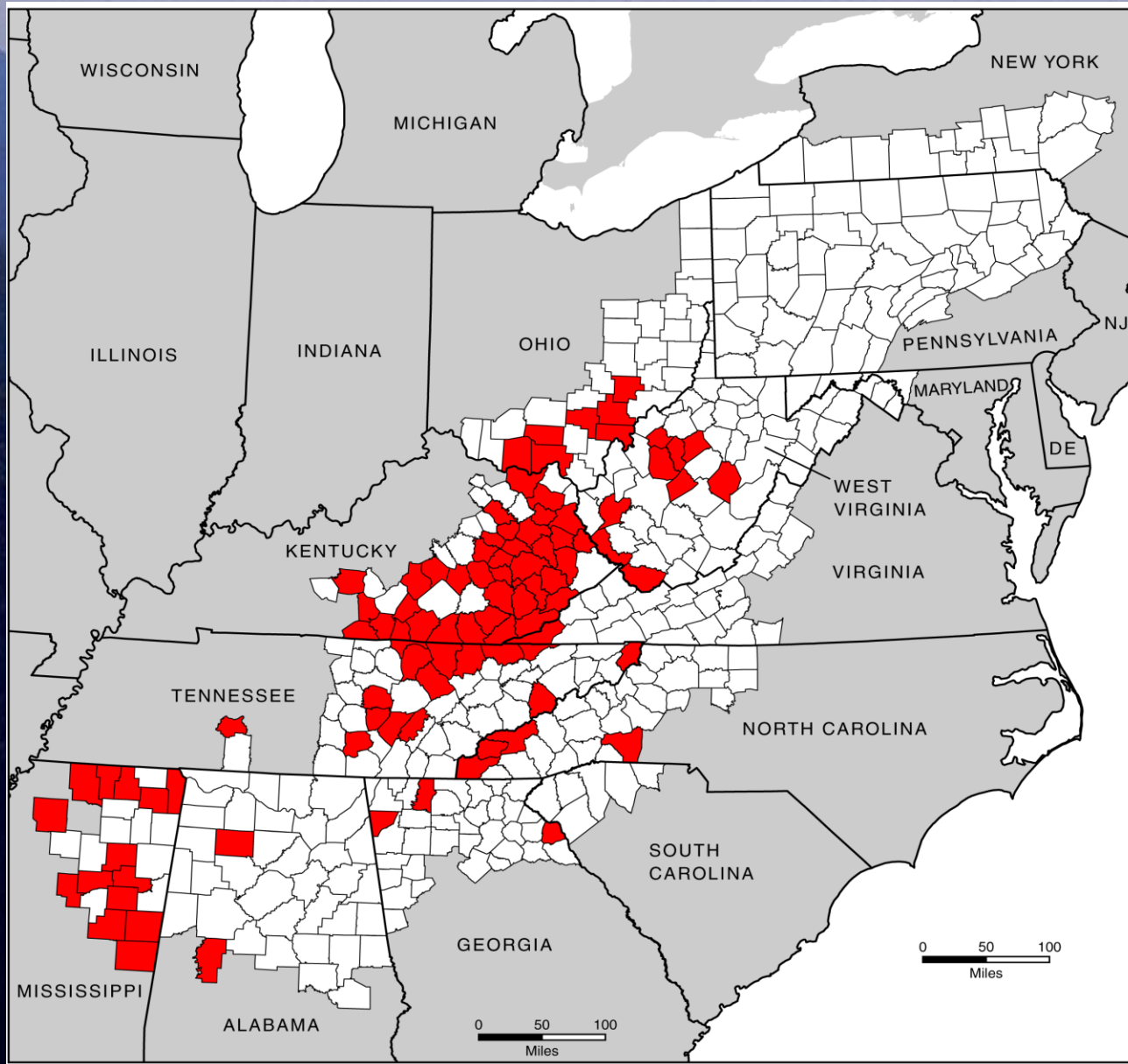
Program Operations

Finance and Administration

Distressed Counties in Appalachia
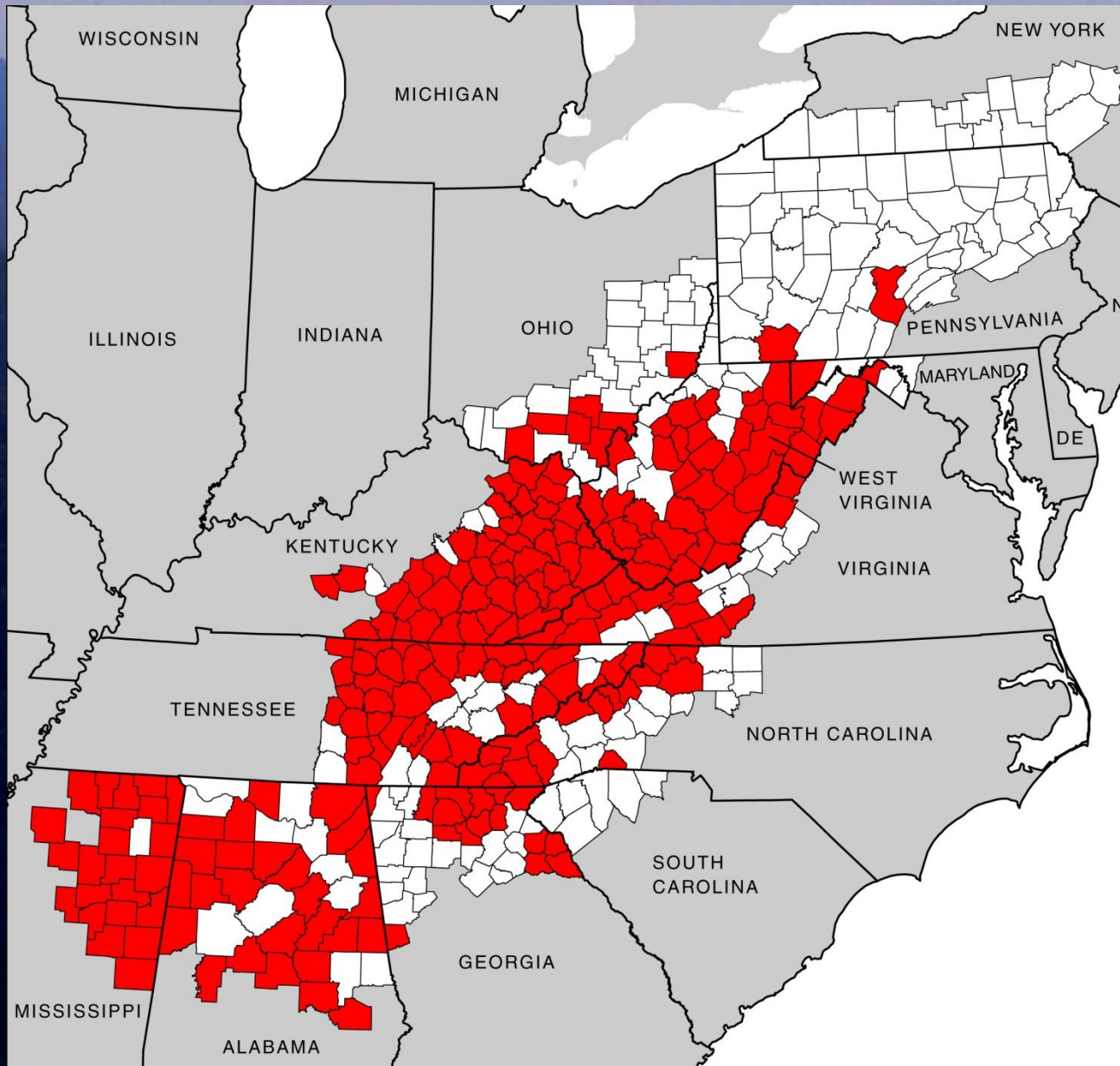
Distressed (223)

1960

Distressed Counties in Appalachia

Distressed (93)

Fiscal Year 2016

ARC Grant Programs

• Over 50% of our funding is spent on projects that benefit distressed areas

• States with Distressed Counties receive a special allocation that can only be used for activities that benefit those counties and distressed areas in that state.

ARC Grant Programs, cont.

- For FY2016, Alabama has received ~$4M for Area Development (AD) projects

- $450k of the $4M must be invested in either Winston or Hale county

- The remaining $3.5M can be invested in any of the 34 counties

- 7th - Hale, Pickens, Jefferson, Tuscaloosa

ARC Grant Programs, cont.

• New for FY2016, ARC and EDA have received over $65M under the POWER+ program for *coal-impacted* communities

• ARC alone plans to invest $45M in communities that have been negatively impacted by the decline in the coal economy

• http://www.arc.gov/power

ARC Grant Programs, cont.

• Infrastructure remains the emphasis of many of the ARC states' funding, water . . sewer . . . transportation . . broadband

• Entrepreneurship began in earnest in the late 1990s and has finally gained a foothold

• "Filling gaps in the entrepreneurial ecosystem" is often spoken of as a strategy

ARC

Entrepreneurship and the 3-legged stool

• Entrepreneurship is an essential component of each leg of the stool, i.e.
  • Support for existing businesses,
  • New enterprise development, and
  • Recruitment

• Map your ecosystem to understand it and to convey its importance to policy makers

Components of an Entrepreneurial Ecosystem

- **Education and Training**
  - Tuition is paid at the registrar and on the street
  - Starts with K-12 and never ends
  - No ribbons to cut
  - It can happen to anyone
  - Goal is development of a steady pipeline of entrepreneurs

Ecosystem, cont.

- **Access to capital**
  - Debt financing is king
  - Local equity is patient and is a way to keep wealth in the community

- **Technical Assistance for Startups**
  - Incubation is a proven winner
  - Modern adaptations are becoming the norm, e.g. seed accelerators, co-working spaces, maker spaces, etc

Ecosystem, cont.

- **The culture shift starts when entrepreneurs are:**
  - *Understood*
    - *eg. Education*
  - *Recognized*
    - *eg. Involved in policy-making*
  - *Honored*
    - *eg. Rewards programs*

Project Design
(a grossly oversimplified approach)

- Begin with the end in mind – *Habit 2 of 7, from The Seven Habits of Highly Effective People: Dr. Stephen R. Covey* (1989)

- Assemble the partnership
  - Coalitions of workforce developers and economic developers can accomplish more together than independently
  - Look at IMCP as a *best practice*
- Get to work

Proposal Development

- *Read the announcement*

- *Get to know your funders*

- *Consider hiring a professional*

- *Heed the deadline and work backwards*

- *Talk to previous grantees*

Proposal Development, cont.

- _Let your congressional delegation know of your interest in a particular program_

- _Line up proofreaders well in advance_

- _Test out the software and bandwidth needed to upload the application_

- _DO NOT WAIT UNTIL THE LAST MINUTE_

Proposal Development, cont.

• *Tell us who you are and describe your past accomplishments*

• *Who are your partners, who do you regularly collaborate with?*

• *Tell us why you need ARC funding; and*

• *Explain your plan to become sustainable w/o ARC funding*

Grant Proposal Evaluation

Certain aspects of your proposal will receive high levels of scrutiny.

- Budget

- Other Funding Sources, Matching Funds, Cost-sharing, Co-investment

- Collaboration, Personnel (FTEs), Sustainability, Sub-contracts

ARC

<u>Grant Proposal Evaluation</u>

2 things that will stop an ARC application in its tracks:

• Missing cost-share

• Lack of *basic agency* (construction)

Performance Measures

- Most important measures tend to be:
- Jobs Created
- Workers Trained
- Businesses Created
- Households Served
- Leveraged Private Investment

ARC

Characteristics of Outputs & Outcomes

- Observable

- Measurable

- Specified number

- Realistic i.e. achievable

- Results-oriented

ARC

Characteristics of Outputs & Outcomes, cont.

- Outputs are what the money buys
- Outcomes are the results, after the money is spent

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Example of Outputs & Outcomes

- The outcome is **not** to purchase computers.
- The outcome is for students to perform better in school.

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Example of Outputs & Outcomes

- **Output**: 50 students will participate in a computer-based remedial math program (students served)

- **Outcome**: At least 42 students will make statistically significant gains on the Xyz Test of Math (students improved)

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Example of Outputs & Outcomes

- **Output**: 25 small to medium-sized, *new-to-export* firms will receive hands-on technical assistance (businesses served)

- **Outcome**: Approximately 15 of them will generate a minimum of $10M in new export sales within 3 years of assistance (businesses strengthened)

ARC

Applying to ARC's Alabama Area Development program

- Attend the July 12th workshop in Florence

- Download the pre-application package

- Submit application before September **

- Kelly Chasteen – ARC Program Coordinator

  ➢ Kelly.Chasteen@adeca.Alabama.gov

ARC POWER+ WORKSHOP

- Visit www.arc.gov/POWER
- Register for the Alabama workshop
- May 24 at Bryant Center here in Tuscaloosa
- Registration opens at 8:30a
- Program closes at 3:30p

- **David Hughes**
- **www.arc.gov**
- **dhughes@arc.gov**

Thank you