Commonwealth of Kentucky

Appalachian Regional Commission
Development Plan
2021-2025

GOVERNOR ANDY BESHEAR

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Gov. Andy Beshear

In accordance with Section 5.3 of the Appalachian Regional Commission (ARC) Code, this document serves as the Commonwealth of Kentucky's Development Plan. The purpose of this plan is to set forth a strategic agenda for Appalachian Kentucky, based on the issues and the needs identified within the region and to define how development projects will be prioritized based on available resources. The implementation of this plan will meet the diverse and dynamic needs of Kentucky by targeting resources and strategies supported by Gov. Andy Beshear in accordance with our state goals and ARC's defined goals and objectives.

As a regional economic development agency, the ARC represents a partnership of federal, state and local governments designed to address local needs. The region is composed of thirteen states and 420 counties stretching from southern New York to northern Mississippi. The commission is composed of governors from the Appalachian states and a federal co-chair, who is appointed by the President. Gov. Beshear serves as Kentucky's ARC Commission Member. He has assigned the administration of Kentucky's ARC program to the Department for Local Government (DLG).

DLG Commissioner Dennis Keene serves as Gov. Beshear's alternate board member and is the state-level contact for those seeking ARC funding. Billie R. Johnson serves as the executive director of the DLG Office of Federal Grants, and Scott Sharp serves as the ARC program manager within that office.
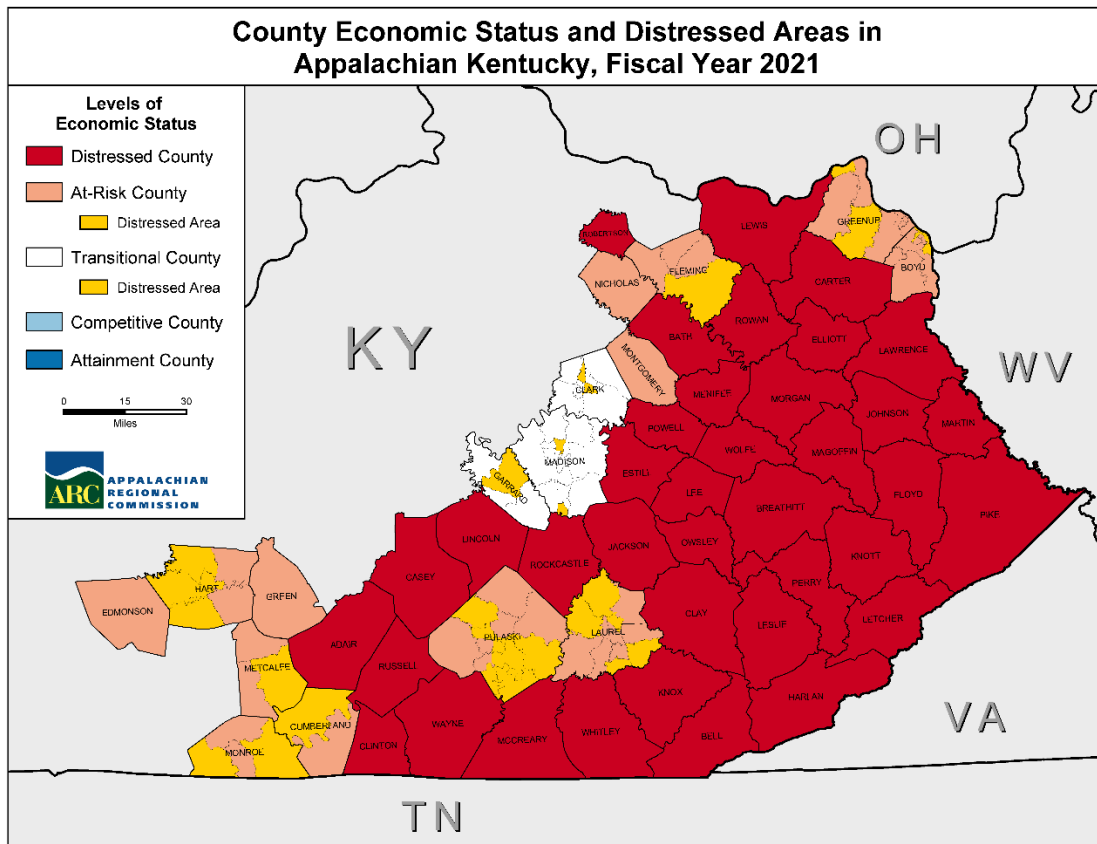
The Kentucky Department for Local Government works alongside several federal, state and local partners to administer the ARC program in Kentucky. Local Area Development Districts (ADDs) serve as key partners in economic development and planning for the commonwealth. Nine of the 15 ADDs work in ARC counties and aid in planning and strategy implementation regarding ARC goals.

The ADDs that serve ARC counties in Kentucky include:

- ❖ Barren River Area Development District
- ❖ Big Sandy Area Development District
- ❖ Bluegrass Area Development District
- ❖ Buffalo Trace Area Development District
- ❖ Cumberland Valley Area Development District
- ❖ FIVCO Area Development District
- ❖ Gateway Area Development District
- ❖ Kentucky River Area Development District
- ❖ Lake Cumberland Area Development District

While all ADDs serve as strong community partners for regional development and resource distribution, those that serve counties in Appalachian Kentucky provide special assistance with the ARC application and funding process. To continue a successful ARC program in Kentucky, we will continue to work with the Appalachian ADDs to ensure strong community outreach, application coaching and collaboration to improve the lives of Kentuckians throughout the region.

Kentucky's Appalachian region is home to 1.1 million residents, encompassing the following 54 counties: Adair, Bath, Bell, Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton, Cumberland, Edmonson, Elliott, Estill, Fleming, Floyd, Garrard, Green, Greenup, Harlan, Hart, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, McCreary, Madison, Magoffin, Martin, Menifee, Metcalfe, Monroe, Montgomery, Morgan, Nicholas, Owsley, Perry, Pike, Powell, Pulaski, Robertson, Rockcastle, Rowan, Russell, Wayne, Whitley and Wolfe.

County Economic Status and Distressed Areas in Appalachian Kentucky, Fiscal Year 2021

BACKGROUND

The Appalachian Regional Commission has been a force for progress for over 50 years. Kentucky's Appalachian region has benefitted substantially from the agency's initiatives, programs and funding. Clearly, Appalachian Kentucky differs greatly today from the social and economic profile it projected more than half-century ago. Poverty rates have declined and education attainment levels have increased. Infrastructure improvements are evident, quality health care is more readily available and programs to support human development are increasing quality of life.

Appalachian Kentucky is an expansive region of contrasts. Encompassing 54 of Kentucky's 120 counties, the region generally cuts a crescent across the state, sweeping from the northeast along the Ohio and West Virginia borders, southward toward Virginia and then along the Tennessee border westward. The region touches Kentucky's cave country in the west and arcs to the northeast, passing through the southern Bluegrass Region. The county seat of its western-most county (Brownsville in Edmonson County) is closer to the Mississippi River at Hickman (about 200 miles) than it is to South Williamson in Pike County (roughly 305 miles) in the region's storied Eastern Kentucky Coalfield. Appalachian Kentucky covers about 18,200 square miles; 46% of Kentucky's total land area. Though the region encompasses almost half of the state, Appalachian Kentucky is sparsely populated. Only five of the 54 Appalachian Kentucky counties have a population density that meets or exceeds the state's density of 110 people per square mile.

Appalachian Kentucky cuts across diverse geographic and cultural divisions of the state, the region hosts several distinct economic characteristics. These economic drivers include agriculture, manufacturing, tourism, oil and gas production, logging and coal mining. While the geographic, cultural and economic landscapes are quite different across the region, almost all Appalachian Kentucky counties are linked by a common characteristic: restricted economic progress. Thirty-eight of the 54 counties are classified as economically distressed. Another 13 are "at risk" of becoming distressed. Only three counties are considered "transitional."

ASSESSMENT OF APPALACHIAN KENTUCKY

Population

The population of the 54 county ARC region of Kentucky peaked in 2010 with a population of 1,184,278. Estimates of 2019 population figures show a decline to 1,157,845, but this is up from the 2016 population of 1,070,059. Population decline is the most extreme in the southeastern portion of the region. Harlan County has experienced an 11.2% decline, Letcher County a 12.1% decline and Pike County an 11% decline. Laurel and Madison counties are experiencing population growth, with 3.3% and 12.1% growth respectively. The driving factor behind population decline is familiar for Eastern Kentucky, starting with the boom of the timber industry at the turn of the century and with every coal boom thereafter there was a population influx and with every industry bust a mass exodus followed. The first wave of coal mining mechanization and the conversion of railroads from coal-fired in the 1940s and 1950s produced precipitous declines in population, while the coal boom of the 1970s caused a population surge. The rapid decline in coal production and employment in the 2010s has followed this familiar pattern.

Income

Median household income for Appalachian Kentucky trails Kentucky's median income by a large margin. The region's median income of $33,878 is 27% lower than the state's median of $46,535. Counties in the region with growing populations possess household incomes near the state median, with Madison County having a median household income of $46,674. Counties with stagnant or declining populations fell well below the state or regional median, with McCreary County having a median household income of $19,264.

Unemployment

Appalachian Kentucky's unemployment rate consistently has exceeded that of the state and the nation. The slowing of the coal and timber industries, compounded by a lack of infrastructure to attract new business, has hampered the region's job market. Appalachian Kentucky persistently exceeds the state as a whole in unemployment rates. The average 2019 unemployment rate for the region was 6.5% compared with 4.3% for the state as a whole. Of the 54 counties in Kentucky's ARC region, only five met the state average. Most counties in far eastern and southeastern Kentucky have significantly higher than average unemployment, like Magoffin County, which has an 11% unemployment rate.

Education

Education attainment levels generally indicate how well a population is prepared to perform in the workplace. They also provide guidance about individuals' current and future earning potential and noneconomic matters such as civic engagement and leadership capacity. Again, a familiar pattern emerges when this is reviewed for Appalachian Kentucky. The region's high school and college graduation rates are better than they were 40 years ago, but the current numbers trail those of Kentucky and the U.S. as a whole.

As of 2019 Kentucky's high school graduation rate was 90.1%, slightly above the national average. Appalachian Kentucky, however, fell dramatically behind in attainment. Only two counties in the region outperformed the state average. The remaining counties averaged 80.7%, with nine counties averaging 75% or lower in high school graduation attainment. Postsecondary education in Appalachian Kentucky is lagging behind both the state and national averages. As a whole in 2019, Kentucky had a 28.5% attainment rate of a bachelor's degree or higher, but the Appalachian region only had a 13.9% attainment rate. In Appalachian Kentucky, 12 counties had a 10% or less college graduation rate. And McCreary County had the lowest attainment rate at 6.9%.

Infrastructure

Water and wastewater systems
Many water and wastewater systems in Appalachian Kentucky have not been updated in years, leading to poor service, unsafe water quality and limited business expansion opportunities. Water and sewer service is vital to improve health outcomes for Kentuckians and for ongoing business operations and expansion.

Broadband
Due to economic and topographical barriers, Eastern Kentucky continues to have limited broadband and telecommunications network access. Past efforts to expand fiber optic networks and broadband access have failed because of cost overruns and difficult construction. Failure to build broadband infrastructure in Eastern Kentucky has left many of Kentucky's distressed counties behind.

Health Care

Kentucky has a comprehensive medical care system; however, access to that care is still limited in many areas. The medical care system in Appalachian Kentucky includes county health departments, community health centers, hospitals, mental health facilities, dental facilities, emergency care networks and elder care centers. But Appalachian Kentucky falls behind both the nation and the rest of Appalachia in terms of the number of health care providers available.

The number of primary care physicians in the region is 26% lower than the national average and 21% lower than in the rest of the commonwealth. There is even greater disparity in access to specialty physicians, with 60% fewer specialty doctors in Appalachian Kentucky than in non-Appalachian Kentucky. And there are 42% fewer dental service providers in Kentucky's Appalachian region than its non-Appalachian areas.

PRIORITY ECONOMIC OPPORTUNITIES

Kentucky's main goal has not changed in the 50 years since ARC's founding: to bring Appalachian Kentucky to socioeconomic parity with the remainder of the country. Gov. Beshear believes this is possible by building the economy of the future in Eastern Kentucky, by creating good jobs, increasing quality health care, providing education and workforce training opportunities and updating critical infrastructure.

With ARC's goals in mind, Kentucky plans to build on ARC priorities of increasing job opportunities per capita, strengthening the capacity of our people, improving infrastructure and developing the Appalachian Development Highway System (ADHS) to improve the lives of families in Appalachian Kentucky. This development plan outlines the overall economic development priorities and strategies to build a stronger, better Appalachian Kentucky.

STATES STRATEGIC GOALS AND OBJECTIVES

ARC Investment Goal 1: Kentucky's investment in economic opportunities through entrepreneurial, business development and job creation strategies in manufacturing, tourism and agritech in Eastern Kentucky's ARC region.

- State Objective 1.1: Develop an entrepreneurial environment.

    - ❖ State Strategy 1.1.1: Support programs to educate new entrepreneurs.

    - ❖ State Strategy 1.1.2: Support efforts to improve access to capital for new and existing small businesses and nonprofits.

    - ❖ State Strategy 1.1.3: Support new and existing programs that reinforce the entrepreneurial support network through nonprofits, incubators and accelerators.

- State Objective 1.2: Create jobs that integrate into the greater economy and will help build the economy of the future.

    - ❖ State Strategy 1.2.1: Develop plans and strategies to increase jobs and employment in the manufacturing and engineering sectors.

    - ❖ State Strategy 1.2.2: Invest in opportunities that will create jobs and expand the tourism industry in Kentucky by using natural and cultural assets.

    - ❖ State Strategy 1.2.3: Support the creation of jobs in and the development of the agritech industry in Eastern Kentucky.

- State Objective 1.3: Increase exports.

    - ❖ State Strategy 1.3.1: Support businesses with plans to export.

    - ❖ State Strategy 1.3.2: Provide training for entrepreneurs on exporting.

    - ❖ State Strategy: 1.3.3: Support job creation in industries such as aviation with existing export markets.

ARC Investment Goal 2: Kentucky's investment in a ready workforce through education and technical training programs for workers in Eastern Kentucky and improving health outcomes to ensure a healthy workforce.

- State Objective 2.1: Increase education attainment and achievement.

  - ❖ State Strategy 2.1.1: Develop strategies to reduce dropout rates.

  - ❖ State Strategy 2.1.2: Increase emphasis on science, technology, engineering, arts and mathematics education.

  - ❖ State Strategy 2.1.3: Strengthen skills program in public schools for dual enrollment and apprenticeships.

- State Objective 2.2: Increase workforce skills through training.

  - ❖ State Strategy 2.2.1.: Strengthen programs that provide the basic skills and in-demand jobs skills to improve employee marketability.

  - ❖ State Strategy 2.2.2: Reintegrate those left behind with training for displaced workers and formerly incarcerated persons.

  - ❖ State Strategy 2.2.3: Support programs to increase adult literacy.

- State Objective 2.3: Promote health care initiatives to ensure a healthy workforce and greater access in Appalachian Kentucky.

  - ❖ Strategy 2.3.1: Support educational programs that train health care professionals in Appalachia.

  - ❖ Strategy 2.3.2: Support local health care providers providing primary and specialty health care.

  - ❖ Strategy 2.3.3: Support programs that provide innovative, remote access health care.

  - ❖ Strategy 2.3.4: Support programs to help Kentuckians suffering from substance use disorder.

ARC Investment Goal 3: Kentucky's investment in infrastructure through maintenance and expansion of Eastern Kentucky's water and wastewater systems and broadband and telecommunication systems.

- State Objective 3.1: Develop and invest in transportation in ARC counties, including Appalachian Development Highway System (ADHS).

  - ❖ State Strategy 3.1.1: Assist in support and maintenance of ADHS in ARC counties.

  - ❖ State Strategy 3.1.2: Build and develop ADHS system for economic stability and access.

  - ❖ State Strategy 3.1.3: Complete ADHS masterplan with all local road access.

- State Objective 3.2: Provide quality infrastructure including water and sewer.

  - ❖ State Objective 3.2.1: Provide clean water to households and businesses.

  - ❖ State Objective 3.2.2: Provide sewer service to households and businesses.

  - ❖ State Objective 3.2.3: Improve access and overall quality of water utility services.

- State Objective 3.3: Increase availability of digital communications and broadband access through investment in infrastructure.

  - ❖ State Objective 3.3.1: Increase access to broadband throughout the region.

  - ❖ State Objective 3.3.2: Provide technical assistance and training for the use of broadband and digital communications in businesses and homes.

  - ❖ State Objective 3.3.3: Further develop, support and maintain existing broadband structure.

- State Objective 3.4: Increase the availability of adequate industrial sites for job creation.

  - ❖ State Strategy 3.4.1: Invest in sites that have the potential to become build ready.

  - ❖ State Strategy 3.4.2: Provide infrastructure to sites and potential sites.

ARC Investment Goal 4: Kentucky's investment in natural and cultural assets by focusing on infrastructure for Eastern Kentucky's mountain trail systems and value added tourism opportunities based upon Kentucky's natural assets, historical sites and heritage.

- State Objective 4.1: Develop the outdoor recreation economy.

  - ❖ State Strategy 4.1.1: Support programs that identify locations for outdoor recreation.

  - ❖ State Strategy 4.1.2: Assist communities and nonprofits in developing tourism opportunities based on outdoor recreation.

- State Objective 4.2: Develop, enhance, and preserve cultural assets.

  - ❖ State Strategy 4.2.1: Support programs to identify, enhance and preserve cultural and heritage assets.

  - ❖ State Strategy 4.2.2: Assist communities and nonprofits in developing tourism opportunities based on cultural and heritage assets.

- State Objective 4.3: Develop local food assets.

  - ❖ State Strategy 4.3.1: Develop nonprofits and businesses that increase access to and availability of local foods.

  - ❖ State Strategy 4.3.2: Promote the availability of local foods and related products

  - ❖ State Strategy 4.3.3: Develop a marketable brand for Appalachian Kentucky foods.

- State Objective 4.4: Promote the region's natural assets.

  - ❖ State Strategy 4.4.1: Support programs and develop strategies to promote tourism of natural assets.

ARC Investment Goal 5: Kentucky's investment in leadership and community capacity by creating leadership development opportunities to spark entrepreneurship and encourage dynamic, young leaders to stay and invest in the region.

- State Objective 5.1: Develop leaders who understand asset-based economic and community development.

  ❖ State Strategy 5.1.1: Develop and maintain programs that will train leaders in the region in economic development

  ❖ State Strategy 5.1.2: Develop and maintain economic development plans and asset-based development.

- State Objective 5.2: Improve public safety and health.

  ❖ State Strategy 5.2.1: Support programs that increase public safety in the community.

  ❖ State Strategy 5.2.2: Support programs that will improve health outcomes in the community.

- State Objective 5.3: Plan for strong, sustainable economic development.

  ❖ State Strategy 5.3.1: Support planning initiatives that are based on community assets.

  ❖ State Strategy 5.3.2: Train leaders and community members to promote sustainable economic development.

CREATING GOOD JOBS AND THE ECONOMY OF THE FUTURE

Based on the assessment of Appalachian Kentucky, it is clear the region will benefit from investments in its already strong industries and by building an economy of the future. Gov. Beshear has proven his commitment to attracting new investment, continuing progress in business development, advanced manufacturing, tourism and making Eastern Kentucky the center of the agritech industry in the U.S.

Business Development
To help Eastern Kentuckians thrive and attract investment, Gov. Beshear invested in programs designed to increase entrepreneurial activities and business development in the region. For example, Gov. Beshear approved funding for the Southeast Kentucky Economic Development Corporation (SKED) to hold workshops in digital marketing, media promotion and entrepreneurship in six Eastern Kentucky communities. This project will provide trainings on branding, website design and upkeep, promotional materials, photography, writing and more. With an increasing presence of online commerce, offering local communities and businesses these trainings will make them more competitive in an increasingly online marketplace.

Advanced Manufacturing
Gov. Beshear wants to make Kentucky a hub of excellence for engineering and manufacturing in North America. In his first 75 days, he announced more than $274 million in planned investments across Kentucky and the addition of 545 full-time jobs in advanced manufacturing, the food and beverage industry and software and IT services. These investments and further commitment of ARC funds mean opportunities for Appalachian Kentucky's hard-working families and economic development for Kentucky's ARC counties.

Tourism
In 2018, 71.6 million visitors spent nearly $7.6 billion in Kentucky. Visitor spending directly supported 4.4% of all jobs in Kentucky. In addition, Kentucky tourism has significantly increased over the past 10 years, accounting for $11.2 billion in economic impact and 94,583 jobs in 2018. Kentucky is within one day's drive for over 70% of Americans, making it accessible as a tourist destination. The tourism industry continues to see growth in economic opportunity as natural beauty, trails, wildlife, music and culinary attractions have been universally recognized as Kentucky's cultural mainstays.

Recognizing Kentucky's strong tourism industry, Gov. Beshear plans to use ARC funding to expand economic opportunities through adventure tourism, which is already succeeding, from zip lining and rock climbing in Red River Gorge, to hiking and riding experiences in Kentucky's Trail Towns. Focusing on expanding an already profitable industry will provide greater opportunity and investment in our Appalachian communities.

Following through on this commitment, Gov. Beshear approved a project in Breathitt County to expand the South Fork Elk View Campground. Beyond offering campsites, a playground and hiking trails, the park will eventually serve as the trailhead for the South Fork corridor of the Kentucky Mountain Regional Recreation Authority's planned network of recreational trails throughout the region. With adventure tourism projects like this one, ARC funds will continue to make tourism a leading industry in Kentucky.

Agritech
Gov. Beshear plans to expand Kentucky's agritech industry, which will create a forward-thinking economy, good jobs and improve nutrition and health outcomes for Kentuckians, while saving natural resources. Kentucky's central geographic location provides a huge advantage in agritech: produce can reach 70% of Americans in a day's drive. That means fresher food and far less food waste as grocers benefit from the extended shelf life. Growing fruits and vegetables closer to where people eat them also helps prevent the frustrating supply issues that COVID-19 continues to reveal, caused by America's increasing reliance on agricultural imports.

Gov. Beshear has made agritech a top priority in Eastern Kentucky. Using ARC funds to expand agritech in the region, could make Eastern Kentucky a leader in the industry, bringing economic opportunity for years to come.

EXPANDING ACCESS TO QUALITY HEALTH CARE

As explained in the annual assessment, Appalachian Kentucky falls behind the rest of the state in health care options. Gov. Beshear believes health care is a basic human right and wants to expand the system in the commonwealth. Using ARC funds to invest in health care in Appalachian Kentucky will improve health outcomes and opportunity for Eastern Kentucky families.

To date, Gov. Beshear has used ARC funds for several health care projects including the Tech Ready Apprentices for Careers in Kentucky (TRACK) Apprenticeship Program at Rockcastle Regional Hospital and Respiratory Care Center, which will train 36 apprentices who are interested in becoming State Registered Nurse Aides (SNRA). Students will be trained in the hospital's ventilator care unit to better understand care for ventilator-dependent patients. During COVID-19, this program is perhaps more important than ever and will teach life-saving medical techniques to the next generation of SNRAs in Appalachian Kentucky.

Gov. Beshear's overarching goal is to ensure every Appalachian Kentuckian has quality, affordable health care. Using ARC funds to reach that goal will improve the lives of Kentucky families for generations to come.

EDUCATION AND WORKFORCE DEVELOPMENT

As demonstrated in the annual assessment of Appalachian Kentucky, the region lags behind the rest of the state and the nation as a whole in all socioeconomic indicators. Achieving socioeconomic parity requires single-minded focus on equipping the population with the skills and training necessary to compete in the global economy. To that end, economic development and education go hand-in-hand.

Gov. Beshear will continue to use ARC funding to support initiatives in workforce readiness and education for ARC distressed counties, like established programs to retrain displaced coal miners for new careers in advanced manufacturing and tech related fields to assist these highly skilled workers to find permanent placement in growing industries.

Gov. Beshear also believes education is key to a well-trained workforce. Kentucky's colleges, universities and community and technical college system provide coursework and training in a variety of highly desirable fields. Gov. Beshear will invest ARC funding to support education throughout Eastern Kentucky that will lead to strong economic outcomes.

Promising projects in fiscal year 2020 included funding for Morehead State University's (MSU) space science program. With ARC funding, MSU will install a 12-meter satellite-tracing antenna for research, student training and to support NASA missions. Funding will also help upgrade the "Star Theater," which is one of their most important assets for science education, outreach and training. Thanks to ARC funding, MSU will continue to attract and train students at all grade levels for STEM careers and will cement its legacy of graduating qualified, workforce-ready engineers and physicists.

INFRASTRUCTURE DEVELOPMENT

Reliable utilities and broadband access are necessary for a healthy life, industry expansion and economic development.

Water and wastewater Systems
The earliest ARC investments in Appalachian Kentucky were in the vital infrastructure necessary for 20th century life. ARC investments provided clean drinking water, sewer services, paved roads and natural gas lines throughout the region. Unfortunately, many systems were either never updated or now require more upgrades to better serve Appalachian Kentuckians. Because Gov. Beshear is committed to providing every Kentuckian with clean drinking water and reliable water and sewer systems, he has invested ARC funds to update water or sewer systems in Floyd County, McCreary County, Albany, Hazard, Whitesburg and several other areas. These projects not only will provide vital services for Appalachian Kentuckians, but also lay the necessary groundwork for industry expansion and economic development.

Broadband
With the increasing popularity and convenience of online commerce and the digital economy, broadband has never been more important for attracting new industry. In fact, broadband access is now a prerequisite for potential industrial sites along with water, sewer and natural gas. To ensure Kentucky can compete in the digital economy, Gov. Beshear is committed to develop broadband infrastructure across Appalachian Kentucky.

Additionally, schools at all grade levels have increasing reliance on the internet, especially during the COVID-19 pandemic. To ensure the highest quality education for Appalachian Kentucky students, broadband access is critical. To guarantee students have access to the best education, Gov. Beshear is committed to make broadband more accessible and widespread throughout the region.

KENTUCKY ARC OPERATING POLICIES

Kentucky uses the following system for evaluation and selection of projects for ARC funding assistance:

Pre-Application, Training and Evaluation

Pre-applications may be solicited by the Kentucky Department for Local Government from county judge/executives, mayors, area development district directors, nonprofits and other local agencies, including other elected officials serving in counties or cities. Local agency staff may communicate this solicitation to area programs and nonprofits within the region.

Prior to the pre-application deadline, efforts will be made to raise applicant awareness and provide all necessary information to local agencies and staff. These efforts may include conference calls, trainings, workshops, webinars and other communications. This information will better prepare counties and cities in understanding the ARC application process. All pre-applications are screened initially by the ARC program manager and staff to determine if they are eligible for funding consideration. This screening process determines the following: (1) application completeness, accuracy and project feasibility, (2) eligibility under the ARC Code and Guidelines and (3) project consistency with ARC strategic goals and state strategies.

Pre-applications determined to be complete, eligible and feasible are then evaluated and prioritized by an evaluation committee consisting of the following: (1) State ARC alternate, committee chair, (2) DLG Office of Federal Grants executive director and (3) ARC program manager.

ARC Funding Project Prioritization

- Degree of Need – Projects that address a severe and immediate problem, such as imminent health threat or loss of jobs or that capitalize on job creation will be given higher priority than those that do not.

- Project Scope and Cost Effectiveness – The number of beneficiaries to be served by the project and the cost per person or household served will be considered in funding level determination.

- Degree of Distress – Projects that benefit communities in ARC designated distressed counties will be given priority consideration in the evaluation process.

- Degree of Non-ARC Funding Commitment – Projects are evaluated individually as to the degree of non-ARC funding commitments and those projects that contain commitments of other federal and/or state/local funds that reduce the ARC share below the maximum level will receive higher prioritization than those that do not.

- Project Readiness – The degree of readiness of a project for implementation if funded (i.e., other funding sources committed, firm cost figures, preliminary or detailed

engineering completed and administrative/organizational responsibilities defined) will be considered in project prioritization.

Prioritization recommendations will be completed for two levels. Priority I projects are those that rank highest in the prioritization process and appear to have non-ARC funding committed. Priority II projects are those that rank high enough in funding priority, but lack complete non-ARC funding commitments or complete project readiness. Priority II projects could be elevated to Priority I if other funds are committed and other Priority I projects are not approved.

GENERAL FUNDING TIMELINE

- Pre-Application packet published online in August.
- Pre-Applications due on Oct. 30.
- Selected applicants will be invited to submit full applications.
- Governor's Distressed County Project Recommendations will be submitted to ARC by Aug. 30 of following year.

Applications demonstrating correction of a significant threat to life, health or public infrastructure; or applications supporting the creation of jobs or the improvements of the economic condition may be accepted and submitted at the discretion of the Governor's Alternate in consultation with the federal co-chair.

APPENDIX A:

Kentucky ARC County Economic Data (2019)

County	Population	Average Income	Population in Poverty	Unemployment Rate
Adair	19,202	$36,575	22%	5.3
Bath	12,500	$38,763	24%	6.2
Bell	26,032	$23,558	38%	6.4
Boyd	46,718	$45,543	19%	5.7
Breathitt	12,630	$25,861	36%	7.5
Carter	26,797	$35,095	22%	8.3
Casey	16,159	$33,031	27%	4.2
Clark	36,263	$51,547	15%	3.9
Clay	19,901	$24,596	40%	7.0
Clinton	10,218	$31,130	20%	5.5
Cumberland	6,614	$35,449	21%	4.2
Edmonson	12,150	$41,114	20%	4.9
Elliott	7,517	$29,043	34%	8.2
Estill	14,106	$30,692	30%	5.0
Fleming	14,581	$41,095	20%	5.4
Floyd	35,589	$31,196	31%	6.4
Garrard	17,666	$47,90	18%	4.6
Green	10,941	$37,388	19%	4.4
Greenup	35,098	$47,517	17%	6.6
Harlan	26,010	$24,451	36%	9.6
Hart	19,035	$37,315	23%	4.7
Jackson	13,329	$32,055	33%	6.5
Johnson	22,188	$35,629	24%	6.6
Knott	14,806	$30,503	33%	6.9
Knox	31,145	$26,061	35%	6.0
Laurel	60,813	$37,235	25%	4.9
Lawrence	15,317	$32,703	25%	7.1
Lee	7,403	$23,297	33%	5.7
Leslie	9,877	$27,861	35%	8.2
Letcher	21,553	$30,293	31%	7.4
Lewis	13,275	$32,054	26%	8.9
Lincoln	24,549	$37,930	24%	5.0
McCreary	17,231	$19,264	41%	6.0
Madison	92,987	$46,674	20%	3.9
Magoffin	12,161	$29,578	29%	11.0
Martin	11,195	$29,239	30%	6.9
Menifee	6,489	$39,688	20%	6.9
Metcalfe	10,071	$35,594	23%	4.8
Monroe	10,650	$35,665	24%	3.9

Montgomery	28,157	$42,172	23%	5.3
Morgan	13,309	$33,523	26%	5.4
Nicholas	7,269	$38,900	28%	4.4
Owsley	4,415	$22,736	33%	7.0
Perry	25,758	$31,820	26%	6.1
Pike	57,876	$32,972	26%	5.8
Powell	12,359	$34,647	24%	5.4
Pulaski	64,979	$35,022	25%	4.7
Robertson	2,108	$30,694	30%	5.4
Rockcastle	16,695	$35,888	21%	4.8
Rowan	24,460	$36,411	27%	5.3
Russell	17,923	$34,660	25%	5.7
Wayne	20,333	$33,715	23%	5.8
Whitley	36,264	$34,103	25%	5.2
Wolfe	7,157	$21,999	37%	7.1

APPENDIX B:

Kentucky Area Development District Information

Barren River Area Development District
177 Graham Avenue
Bowling Green, Kentucky 42101
270.781.2381 - http://www.bradd.org
Counties: Edmonson, Hart, Metcalfe, Monroe

Big Sandy Area Development District
110 Resource Drive #101
Prestonsburg, Kentucky 41653
606.886.2374 - http://www.bigsandy.org
Counties: Floyd, Johnson, Magoffin, Martin, Pike

Bluegrass Area Development District
699 Perimeter Drive #100
Lexington Kentucky 40517
859.269.8021 - http://www.bgadd.org
Counties: Clark, Estill, Garrard, Lincoln, Madison, Nicholas, Powell

Buffalo Trace Area Development District
201 Government Street #300
Maysville, Kentucky 41056
606.564.6894 - http://www.btadd.com
Counties: Fleming, Lewis, Robertson

Cumberland Valley Area Development District
342 Old Whitley Road
London, Kentucky 40744
606.864.7391 - http://www.cvadd.org
Counties: Bell, Clay, Harlan, Jackson, Knox, Laurel, Rockcastle, Whitley

FIVCO Area Development District
32 FIVCO Court
Grayson, Kentucky 41143
606.929.1366 - http://www.fivco.org
Counties: Boyd, Carter, Elliott, Greenup, Lawrence

Gateway Area Development District
110 Lake Park Drive
Morehead, Kentucky 40351
606.780.0090 - http://www.gwadd.org
Counties: Bath, Menifee, Montgomery, Morgan, Rowan

Kentucky River Area Development District
941 N. Main Street
Hazard, Kentucky 41701
606.436.3158 - http://www.kradd.org
Counties: Breathitt, Knott, Lee, Leslie, Letcher, Owsley, Perry, Wolfe

Lake Cumberland Area Development District, Inc.
2384 Lakeway Drive
Russell Springs, Kentucky 42642
270.866.4200 - http://lcadd.org
Counties: Adair, Casey, Clinton, Cumberland, Green, McCreary, Pulaski, Russell, Wayne