



APPALACHIAN REGIONAL COMMISSION

FY 2016 Budget Summary

The President’s budget requests \$95 million for ARC’s economic and community development programs. This is a 5.5% increase over the amount appropriated for FY2015. The request includes \$70 million for ARC’s regular work and \$25 million to further the Administration’s POWER+ Plan to support communities that are adversely affected by the transition away from coal as the primary fuel source in the power sector.

The Commission’s programs are designed to help the 13-state Appalachian region achieve socioeconomic parity with the nation. FY2016 activities will further the work of the White House Rural Council and will advance the goals of ARC’s strategic plan, which is being updated to better address the challenges and emerging opportunities created by the transitioning Appalachian economy. The Administration expects to submit reauthorization legislation that would continue ARC's current programs.

Area Development:

The request includes \$57 million for the regular Area Development program, the same as the current funding level. At least half of this amount will benefit economically distressed counties and areas. While final program decisions will be made jointly by the Federal Co-Chair and the Appalachian governors, the Commission expects to place a priority on creating jobs through grants for basic infrastructure and broadband, entrepreneurship, workforce development, and health care. The request includes an additional \$25 million to fund a regional grant competition to support activities in emerging opportunities sectors for communities impacted by job losses in coal mining and power plant operations and their supply chains. Grants will be used to help communities diversify their economies; create good jobs in existing or new industries; attract new sources of job-creating investment; and provide reemployment services and job training to dislocated workers in order to connect them to high-quality, in-demand jobs.

For Local Development Districts, the ARC budget provides \$6.2 million.

Performance targets for FY2016 include: create/retain 20,000 jobs; position 20,000 Appalachians for enhanced employability; provide 20,000 households with basic infrastructure services; open 25 miles of the ADHS; leverage \$4 of private investment for every \$1 of ARC funds invested in job-creating projects.

Appalachian Development Highway System:

Moving Ahead for the 21st Century (MAP-21) authorized expenditures for construction of the Appalachian Development Highway System (ADHS) and local access roads and increased the allowable federal share from 80% to 100%. ARC continues to oversee the development of this system.

Salaries and Expenses:

To implement the ARC program, the budget requests \$6.3 million for salaries and expenses. The Commission has realized several administrative efficiencies, yielding a minimal increase in expenses.

Budget Summary (\$ thousands)

ARC Program	2014 Actual	2015 Appropriated	2016 President's Budget	Change from 2015
Area Development	67,614*	77,474**	82,444***	+ 4,970
Local Development Districts	6,200	6,200	6,200	0
Salaries and Expenses	6,503	6,326	6,356	+ 30
Total ARC	80,317	90,000	95,000	+ 5,000

*Includes \$10 million for a program of high-speed broadband deployment in distressed counties in Central Appalachia.

**Includes \$10 million for a program of high-speed broadband deployment in distressed counties in Central Appalachia and \$10 million for a program of workforce training in the automotive sector benefitting distressed counties in Southern Appalachia.

***Includes \$25 million for a program to support the Administration’s POWER+ Plan.